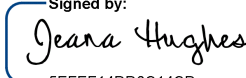


CERTIFICATION OF BUDGET FOR
LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Lupton Village Residential Metropolitan District, for the budget year ending December 31, 2025, as adopted on October 23, 2024.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Lupton Village Residential Metropolitan District in Weld County, Colorado, this 4th day of December 2024.

Signed by:

5FFFF14DD0C14CD

Jeana Hughes, Chairman

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT

CITY OF FORT LUPTON
WELD COUNTY, COLORADO



2025 Budget

Public Budget Hearing Date: October 23, 2024



8354 Northfield Blvd
Building G, Suite 3700
Denver, Colorado 80238
Telephone (720) 541-7725

Accountant's Report

Board of Directors
Lupton Village Residential Metropolitan District
Thornton, Colorado

The accompanying forecasted budget of revenues, expenditures and fund balances of the Lupton Village Residential Metropolitan District for the General Fund, Debt Service Fund and Capital Project Fund for the year ending December 31, 2025 and the forecasted estimate of comparative information for the year ending December 31, 2024 were not subjected to an audit, review, or compilation engagement by me and, accordingly, I do not express an opinion, a conclusion, nor provide any assurance on them.

Substantially all of the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.



Charles Wolfersberger, CPA
District Manager
Henderson, CO

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
SUMMARY
FORECASTED 2025 BUDGET AS PROPOSED
WITH 2023 ACTUAL AND 2024 ESTIMATED
 For the Years Ended and Ending December 31,

	ACTUAL 2023	ESTIMATED 2024	ADOPTED 2025
BEGINNING FUND BALANCE	\$ 903,812	(\$ 11,201)	\$ 272,700
REVENUES			
Property taxes	60,718	299,100	491,400
Specific ownership taxes	2,609	10,600	18,200
Townhome maintenance fees (\$275/quarter)	136,529	252,000	279,400
Interest income	22,939	3,900	3,900
Property violation fines	275	2,000	2,000
Design review and admin setup fees	1,300	-	-
Subsidies – Lupton Village Commercial Metro District	58,734	250,000	-
Capital contribution fees	8,050	9,600	-
Total Revenues	291,154	827,200	794,900
OTHER FINANCING SOURCES			
Fund transfers in	2,038,145	-	20,000
Proceeds from Series 2023 Fill-up Note	1,120,856	-	-
Total Funds Available	4,353,967	815,999	1,087,600
EXPENDITURES			
General and administration	88,900	68,500	90,800
Landscaping maintenance	137,976	117,300	201,300
Weekly trash pick-up services (Townhomes)	18,566	45,000	50,000
Parking lot/alleyway management services (Townhomes)	31,737	17,000	51,600
Other expenses	1,225	20,000	29,800
Debt service			
a) Bond interest	54,536	217,700	389,200
b) Bond principal	-	-	-
c) Direct and indirect collection costs	5,237	8,500	11,800
Capital projects	2,038,145	-	-
Total Expenditures	2,376,322	494,000	824,500
OTHER FINANCING USES			
Developer advances – repayments	-	-	-
Fund transfers out	2,038,145	-	20,000
Total expenditures and transfers out requiring appropriation	4,414,467	494,000	844,500
ENDING FUND BALANCE	(\$ 60,500)	\$ 272,700	\$ 243,100
EMERGENCY EXPENSE RESERVE	\$ 5,500	\$ 5,600	\$ 5,300
TOTAL CAPITAL FUND RESERVES	-	-	20,000
TOTAL RESTRICTED FUNDS	\$ 5,500	\$ 5,600	\$ 25,300

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
 For the Years Ended and Ending December 31,

	ADOPTED 2023	ADOPTED 2024	ADOPTED 2025
ASSESSED VALUATION – WELD COUNTY			
Residential	\$ 202,807	\$ 2,746,790	\$ 5,739,850
Vacant Land	653,280	1,364,140	276,690
State Assessed	81,520	113,720	169,550
Commercial Property	-	1,150	1,030
Oil & Gas Pipelines	-	1,190	930
TIF District (deduction)	-	-	(186,411)
Certified Assessed Value	\$ 937,607	\$ 4,226,990	\$ 6,001,639
MILL LEVY			
General Fund	15.083	15.646	17.926
Debt Service Fund	50.322	53.358	63.945
Total Mill Levy	65.405	69.004	81.871
PROPERTY TAXES			
General Fund	\$ 14,100	\$ 66,100	\$ 107,600
Debt Service Fund	47,200	225,500	383,800
Total Property Tax Revenue	\$ 61,300	\$ 291,600	\$ 491,400

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
GENERAL FUND
FORECASTED 2025 BUDGET AS PROPOSED
WITH 2023 ACTUAL AND 2024 ESTIMATED
 For the Years Ended and Ending December 31,

	ACTUAL 2023	ESTIMATED 2024	ADOPTED 2025
BEGINNING FUND BALANCE	\$ 12,282	(\$ 30,345)	\$ 170,300
REVENUES			
Property taxes	14,002	70,200	107,600
Specific ownership taxes	602	2,400	4,000
Interest income	109	445	400
Property maintenance violation fines	275	2,000	2,000
Subsidies – Lupton Village Commercial Metro District	58,734	250,000	-
Capital contribution fees	8,050	9,600	-
Design review fees	1,300	-	-
Total Revenues	83,072	334,645	114,000
Total Funds Available	95,354	304,300	284,300
EXPENDITURES			
General and administration	50,918	47,500	66,300
Landscaping maintenance	73,556	66,500	79,600
Other district expenses	1,225	20,000	28,300
Total Expenditures	125,699	134,000	174,200
OTHER FINANCING USES AND TRANSFERS OUT			
Developer advances - repayments	-	-	-
Fund transfers to Capital Project Fund	-	-	8,000
Total expenditures and financing (sources) uses requiring appropriation	125,699	134,000	182,200
ENDING FUND BALANCE	(\$ 30,345)	\$ 170,300	\$ 102,100
EMERGENCY EXPENSE RESERVE	\$ 5,500	\$ 5,600	\$ 5,300

This financial information should be read only in connection with the summary of significant assumptions.

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
GENERAL FUND EXPENDITURE DETAILS
FORECASTED 2025 BUDGET AS PROPOSED
WITH 2023 ACTUAL AND 2024 ESTIMATED**

For the Years Ended and Ending December 31,

	ACTUAL 2023	ESTIMATED 2024	ADOPTED 2025
GENERAL AND ADMINISTRATION			
District management fees	\$ 30,355	\$ 17,800	\$ 17,800
Administrative costs	10,007	2,000	2,000
Audit fees	11,870	8,500	8,500
Collection fees – County Treasurer	213	1,100	1,600
Board of directors’ fees	-	-	-
Board training and conferences	-	-	-
Insurance	2,076	2,100	2,400
Legal fees – general	20,705	15,000	22,000
Election costs	11,192	-	9,000
Indirect cost allocation (to Townhome Fund)	(35,500)	-	-
Contingency	-	1,000	3,000
Total General and Administration	\$ 50,918	\$ 47,500	\$ 66,300
LANDSCAPING MAINTENANCE			
Ground maintenance fees	\$ 30,488	\$ 18,400	\$ 20,000
Tree maintenance	-	-	5,000
Backflow maintenance	715	800	1,500
Sprinkler repairs	191	4,500	6,500
Sprinklers – water	41,652	26,000	28,600
Electricity	-	300	500
Grounds improvements	-	13,000	10,000
Monument sign maintenance	-	-	1,000
Property insurance	-	500	3,000
Miscellaneous landscape expenses	510	3,000	3,500
Total Landscaping Maintenance	\$ 73,556	\$ 66,500	\$ 79,600
OTHER DISTRICT EXPENSES			
Snow removal	\$ 420	\$ 6,000	\$ 12,000
Covenant enforcement services	805	8,700	8,700
Covenant enforcement – postage/ mailing	-	5,300	6,100
Park & recreation events	-	-	500
Vandalism	-	-	1,000
Total Other District Expenses	\$ 1,225	\$ 20,000	\$ 28,300

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
DEBT SERVICE FUND
FORECASTED 2025 BUDGET AS PROPOSED
WITH 2023 ACTUAL AND 2024 ESTIMATED
 For the Years Ended and Ending December 31,

	ACTUAL 2023	ESTIMATED 2024	ADOPTED 2025
BEGINNING FUND BALANCE	\$ 891,530	(\$ 14,114)	\$ -
REVENUES			
Property taxes	46,716	228,900	383,800
Specific ownership taxes	2,007	8,200	14,200
Interest income	22,695	3,214	3,000
Total Revenues	71,418	240,314	401,000
OTHER FINANCING SOURCES AND TRANSFERS IN			
Proceeds from Series 2023 Fill-up Note	1,120,856	-	-
Total Funds Available	2,083,804	226,200	401,000
EXPENDITURES			
Direct and indirect collection costs	5,237	8,500	11,800
Bond interest – 2021 Series Bonds	54,536	217,700	389,200
Bond principal – 2021 Series Bonds	-	-	-
Total Expenditures	59,773	226,200	401,000
OTHER FINANCING USES AND TRANSFERS OUT			
Transfers to other funds	2,038,145	-	-
Total expenditures and financing uses requiring appropriation	2,097,918	226,200	401,000
ENDING FUND BALANCE	(\$ 14,114)	\$ -	\$ -

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF DIRECT AND INDIRECT COLLECTION COSTS
FORECASTED 2025 BUDGET AS PROPOSED
WITH 2023 ACTUAL AND 2024 ESTIMATED
 For the Years Ended and Ending December 31,

	ACTUAL 2023	ESTIMATED 2024	ADOPTED 2025
DIRECT AND INDIRECT COLLECTION COSTS			
Collection fees – County Treasurer	\$ 710	\$ 3,500	\$ 5,800
Bond paying agent fees	4,000	4,000	4,000
Contingency	527	1,000	2,000
Total direct and indirect collection costs	\$ 5,237	\$ 8,500	\$ 11,800

This financial information should be read only in connection with the summary of significant assumptions.

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND - TOWNHOMES
FORECASTED 2025 BUDGET AS PROPOSED
WITH 2023 ACTUAL AND 2024 ESTIMATED**
For the Years Ended and Ending December 31,

	ACTUAL 2023	ESTIMATED 2024	ADOPTED 2025
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Interest income	-	-	-
Total Revenues	-	-	-
OTHER FINANCING SOURCES AND TRANSFERS IN			
Transfers in from General Fund	-	-	8,000
Transfers in from Debt Fund	2,038,145	-	-
Transfers in from Townhome Fund	-	-	12,000
Total Funds Available	2,038,145	-	20,000
EXPENDITURES			
Capital projects – reimbursements to Developer	2,038,145	-	-
Total Expenditures	2,038,145	-	-
OTHER FINANCING USES AND TRANSFERS OUT			
Transfers out to other funds	-	-	-
Total expenditures and transfers out requiring appropriation	2,038,145	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ 20,000

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
TOWNHOME FUND
FORECASTED 2025 BUDGET AS PROPOSED
WITH 2023 ACTUAL AND 2024 ESTIMATED
 For the Years Ended and Ending December 31,

	ACTUAL 2023	ESTIMATED 2024	ADOPTED 2025
BEGINNING FUND BALANCE	\$ -	(\$ 16,041)	\$ 102,400
REVENUES			
Maintenance fees (\$275/quarter)	136,529	252,000	279,400
Interest income	135	241	500
Total Revenues	136,664	252,241	279,900
OTHER FINANCING SOURCES AND TRANSFERS IN			
Transfers in from General Fund	-	-	-
Total Funds Available	136,664	236,200	382,300
EXPENDITURES			
General and administration	37,982	21,000	24,500
Weekly trash pickup services	18,566	45,000	50,000
Landscaping maintenance	64,420	50,800	121,700
Parking lot/alleyway management services	31,737	17,000	51,600
Other	-	-	1,500
Total Expenditures	152,705	133,800	249,300
OTHER FINANCING USES AND TRANSFERS OUT			
Capital Reserve Fund contributions	-	-	12,000
Total expenditures and financing (sources) uses requiring appropriation	152,705	133,800	261,300
ENDING FUND BALANCE	(\$ 16,041)	\$ 102,400	\$ 121,000

This financial information should be read only in connection with the summary of significant assumptions.

**LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
TOWNHOME FUND EXPENDITURE DETAILS
FORECASTED 2025 BUDGET AS PROPOSED
WITH 2023 ACTUAL AND 2024 ESTIMATED**

For the Years Ended and Ending December 31,

	ACTUAL 2023	ESTIMATED 2024	ADOPTED 2025
GENERAL AND ADMINISTRATION			
Management fees	\$ -	\$ 19,500	\$ 19,500
Administrative expenses	2,482	1,000	2,000
Indirect cost allocation (from General Fund)	35,500	-	-
Collection services	-	500	1,000
Contingency	-	-	2,000
Total General and Administration	\$ 37,982	\$ 21,000	\$ 24,500
LANDSCAPING MAINTENANCE			
Ground maintenance fees	\$ 45,810	\$ 20,500	\$ 45,000
Tree maintenance	-	-	6,000
Backflow maintenance	-	300	500
Sprinkler repairs	-	2,500	4,000
Sprinklers – water	18,297	23,500	46,500
Sprinklers – electricity	313	500	800
Grounds improvements	-	2,000	12,000
Property insurance	-	-	3,500
Miscellaneous landscape expenses	-	1,500	3,500
Total Landscaping Maintenance	\$ 64,420	\$ 50,800	\$ 121,700
PARKING LOT/ALLEYWAY MANAGEMENT			
Parking enforcement services	\$ -	\$ 2,000	\$ 4,600
Snow removal	31,737	12,000	35,000
Signs and striping	-	2,000	4,000
Surface maintenance	-	-	5,000
Other expenses	-	1,000	3,000
Total Parking Lot/Alleyway Management	\$ 31,737	\$ 17,000	\$ 51,600
OTHER EXPENDITURES			
Playground maintenance	\$ -	\$ -	\$ 500
Vandalism	-	-	1,000
Total Other Expenditures	\$ -	\$ -	\$ 1,500

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Lupton Village Residential Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 25, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a service plan approved by City of Fort Lupton (City) in February 2006 and amended with City approval on February 04, 2020. The District's service area is located in Weld County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the design, acquisition, construction and installation of streets, traffic and safety controls, park and recreation, sanitary sewer, storm drainage and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District was also established to (1) maintain various public parks and open spaces within the District (not otherwise owned and maintained by the City), (2) provide covenant enforcement and architectural review services to the Lupton Village covenant-controlled community and (3) maintain certain public infrastructure serving all District inhabitants including monument signage and storm water drainage systems.

The District also provides services specific to the 254 townhome units located within the District and charges services fees to the 254 units to fund the provision of such services. Such public services include (1) weekly trash pick-up services, (2) parking lot and alleyway management services and (3) landscape maintenance and snow removal services around the townhome buildings.

On November 18, 2019, the District changed its name from Cottonwood Greens Metropolitan District No 3 to Lupton Village Residential Metropolitan District.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Accounting Basis

The District prepares its budget on the modified accrual basis of accounting.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

On November 03, 2020, District voters authorized the District to assess property taxes annually at \$1 million or any greater amount as deemed necessary, without limitation to rate, to pay the District’s operations, maintenance and other expenses. Additionally, the District voters approved authorizing the District to retain and spend all such tax revenue in excess of TABOR spending, revenue raising or other limitations.

On November 03, 2020, District voters authorized the District to assess property taxes up to \$5 million annually, without limitation to rate, to fund any intergovernmental agreements. Additionally, the District voters approved authorizing the District to retain and spend all such tax revenue in excess of TABOR spending, revenue raising or other limitations.

On November 03, 2020, District voters authorized the District to assess property taxes up to \$5 million annually, without limitation to rate, to fund the construction of public regional improvements. Additionally, the District voters approved authorizing the District to retain and spend all such tax revenue in excess of TABOR spending, revenue raising or other limitations.

The Service Plan establishes a Maximum Debt Mill Levy of 55.277 mills that can be assessed on property owners within the District to fund the District’s debt repayment costs. The Maximum Debt Mill Levy may be adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since January 01, 2019. As of January 01, 2019, the ratio was 7.15%. The ratio for 2025 is 6.70% with a \$55,000 valuation exemption per residential lot, which caused the Maximum Mill Levy for debt service for 2025 to be 70.870¹.

The Service Plan establishes a Maximum Mill Levy (which includes the Operations and Debt Mill Levies) of 70 mills that can be assessed on property owners within the District. The Maximum Mill Levy may be adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since January 01, 2019. As of January 01, 2019, the ratio was 7.15%. The ratio for 2025 is 6.70% with a \$55,000 valuation exemption per residential lot, which caused the Maximum Mill Levy for 2025 to be 89.523².

Per the Senior Bond Indenture of Trust, the “Required Debt Mill Levy” to fund the District’s 2021 Senior Bonds is 50 mills. The Required Debt Mill Levy may be adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since January 01, 2019. As of January 01, 2019, the ratio was 7.15%. The ratio for 2025 is 6.70% with a \$55,000 valuation exemption per residential lot, which caused the Required Debt Mill Levy for 2025 to be 63.945³

For the collection year 2025, the District adopted a mill levy of 16.866 for operations and 64.104 for debt service. The calculation is reflected on page 2 of the budget. The District’s 2024 adopted mill levy for general operations is expected to generate approximately \$100,300 in property tax revenue—approximately \$899,700 below the \$1 million property tax floor established by the voters.

¹ 70.694 mills = [[\$(5,739,850 / 6.7%) + (\$55,000 x 325 lots)] x 7.15% x (55.277 mills / 1,000)] + [[\$(261,789 / 27.9%) + (\$30,000 x 0 lots)] x 29% x (55.277 mills / 1,000)] / \$6,001,639

² 89.523 mills = [[\$(5,739,850 / 6.7%) + (\$55,000 x 325 lots)] x 7.15% x (70 mills / 1,000)] + [[\$(261,789 / 27.9%) + (\$30,000 x 0 lots)] x 29% x (70 mills / 1,000)] / \$6,001,639

³ 63.945 mills = [[\$(5,739,850 / 6.7%) + (\$55,000 x 325 lots)] x 7.15% x (50 mills / 1,000)] + [[\$(261,789 / 27.9%) + (\$30,000 x 0 lots)] x 29% x (50 mills / 1,000)] / \$6,001,639

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Specific Ownership Taxes

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle's age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the county. The 2025 budget projects the District's share of specific ownership taxes received from the State will be equal to approximately 3.7% of total property taxes collected.

The District allocates specific ownership tax revenue proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

Townhome Operations & Maintenance Fees

The District levies a quarterly service fee of \$275 (levied in January, April, July, October) on each townhome unit that has been constructed, sold and occupied to fund the cost of providing services that are unique to the townhome units (i.e. services not provided to all property owners within the District). Such public services include (1) weekly trash pick-up services, (2) parking lot and alleyway management services and (3) landscape maintenance and snow removal services around the townhome buildings.

As of September 30, 2024, 226 of the 254 townhome units are sold and occupied by homeowners. The District estimates all townhome units will be homeowner occupied by December 31, 2024.

Admin Setup Fee

The District levies an administrative setup fee of \$100 on each home lot at the time ownership of the home lot changes

Operation Subsidies – Lupton Village Commercial Metro District (LVCMD)

On May 21, 2021, the District entered into an intergovernmental agreement with Lupton Village Commercial Metropolitan District (LVCMD) where either district may request funds from the other district for the purpose of partially subsidizing the requesting district's operations and maintenance costs. Neither district is obligated to fund a funding request received from the Requesting District. Any payments to the Requesting District is not considered a loan from the paying district, and the Requesting District is not obligated to repay any subsidies received from the other district. This Agreement may be terminated by either party at any time after providing the other district 30 days notice.

Beginning in 2021, LVCMD started levying an operations levy of 55.277 mills on all real property within the district. Although the land within LVCMD is undeveloped, a significant portion of taxable real property within LVCMD is comprised of oil and gas production.

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

For 2023, subsidies received from LVCMD is estimated to total \$59,500, which is approximately equal to 72% of gross revenue in the General Fund and \$50,500 less than the \$110,000 subsidy per the 2023 board-approved budgets for the District and LVCMD.

On January 04, 2024, the District Board entered into a Global Settlement and Release Agreement (GSR Agreement) with LVCMD, FTL Land Assemblage, LLLP and Lupton Village Land Developers, LLC. The terms of the GSR Agreement include the following:

- a commitment from LVCMD to pay \$250,000 to the District by no later than June 01, 2024; and
- an agreement that the O&M Reimbursement Agreement, the FTL Infrastructure Acquisition Agreement and the FTL-LVLD Infrastructure Acquisition Agreements are all terminated effectively immediately; and
- The balance on the Series 2023 Subordinate Note (defined below) is \$1,120,855 and LVCMD shall be prohibited from taking any additional actions that increase the balance of the Series 2023 Subordinate Note; and
- each party to the GSR Agreement unconditionally releases the other parties to the GSR Agreement from any and all claims and future claims against each party – other than claims related to landscape installation work and related warranties.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.5%.

Expenditures

Administrative Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, and board meeting expenses.

Landscaping Maintenance Expenditures

Landscape maintenance expenditures include the estimated services necessary to maintain District-owned parks, open spaces and storm water detention ponds within the Lupton Village subdivision. The District currently owns and maintains approximately 23.6 acres of open space land and parks situated throughout the District. The District also maintains the right-of-way landscaping on both sides of S Rollie Avenue, the north side of WCR 12 and the east side of

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Denver Avenue, which are within the District’s boundaries. Such landscape expenditures do not include expenditures related to maintaining the landscaping around the 254 townhome lots.

Other District Costs

“Other District Costs” includes the cost of providing services such as (1) removal of snow from sidewalks on District-owned open spaces, (2) covenant enforcement and architectural review services and (3) recreation event services.

Administrative Expense Allocations

Administrative expenses incurred by the District that support the various functions of the District include (a) operating and reporting compliance expenditures that protect the District’s right to collect property taxes (e.g. financial statement audit fees, fees paid to professionals to prepare mandatory periodic financial and operational reports to the City and State, etc), (b) professional fees related to applying and monitoring accounting controls over the collection of District revenues, (c) expenditures related to managing the District’s annual property tax assessment process and (d) premiums paid on liability insurance the protects the District from various risk exposures arising from performing these various functions.

County Treasurer collection fees are established by Colorado Statute and are equal to 1.5% of gross property taxes actually collected by the Treasurer.

Weekly Trash Pick-up Service Expenses – Townhome Units

The District has contracted with a third-party contractor to provide weekly trash pick-up and hauling services to the 254 townhome units within the District. For 2025, the cost of such services is contracted at the rate of \$16/month per townhome unit.

Landscape Maintenance – Townhome Units

Landscape maintenance expenditures around the 254 townhome lots include the estimated services necessary to maintain the parks and open spaces surrounding the 254 townhome units within the District. The District currently owns and maintains approximately 28.2 acres of land surrounding the townhome units (mostly comprised of concrete alleyways, parking lots and private roads). This District service is unique to the townhome units only. The District does not maintain the front or back yards of the 90 single family homes within the District.

Debt Costs

Debt costs include principal and interest due on the District’s debt obligations, agent fees paid to the bond trustee, property tax collection fees paid to the County Treasurer and other administrative and collection costs necessary to service the District’s debt obligations.

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Capital Expenditures

For the 2025 year, the District does not anticipate accepting any additional public infrastructure (including roads, sidewalks, open space landscaping, water lines, sewer lines and storm drain systems) within and/or outside the District boundaries. The District currently owns 20 land tracts (51.8 acres) comprised primarily of parks, open spaces, alleyways and a private street. The District has no funds budgeted towards capital projects for 2025.

Debt and Leases

Series 2021 Senior Bonds

On September 01 2021, the District issued \$10,130,000 General Obligation Limited Tax Bonds, Series 2021 (“Senior Bonds”). The proceeds from the sale of the Senior Bonds were used as follows:

- i. \$9,745,106 was allocated to the Project Fund for financing or reimbursing the costs of public improvements related to development within the District;
- ii. \$384,894 was allocated to pay the costs of issuing the Senior Bonds.

The Senior Bond was issued as a term bond that bear interest at 4.625%, and is payable annually on December 1, beginning on December 01, 2021. The Bonds are structured as “cash flow” bonds, meaning there are no scheduled payments of principal thereof prior to the final scheduled maturity date. Instead, principal on the Bonds is payable annually on each December 1 from, and to the extent of, Pledged Revenue on deposit, if any, in the Bond Fund, pursuant to a special mandatory redemption. The Senior Bonds mature on December 1, 2051. In the event any amounts due and owing on the Senior Bonds remain outstanding on December 02, 2061, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which is comprised of the following:

- a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
- b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy);
- c) all Capital Fees (which includes all fees, rates, tolls, penalties, and charges of a capital nature imposed by the District);
- d) any other legally available amounts that the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The Senior Bond Indenture does not provide for any reserve fund, surplus fund or any other fund or account from which debt service on the Bonds may be paid, other than the Bond Fund.

The Senior Bonds are subject to redemption prior to maturity, at the option of the District on September 01, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
September 01, 2026, to August 31, 2027	3.0%	\$ 303,900
September 01, 2027, to August 31, 2028	2.0%	\$ 202,600
September 01, 2028, to August 31, 2029	1.0%	\$ 101,300
September 01, 2029 and thereafter	0.0%	\$ -

No debt-to-maturity schedule is provided for the Senior Bonds because such obligations are payable from Subordinate Pledged Revenue, if and when such revenue is available to repay the Senior Bonds.

Series 2023 Subordinate “Fill-up” Note

On March 28, 2023, the District issued to LVCMD a Special Obligation Capital Funding Subordinate Note (“Subordinate Note”) with a maximum principal balance of \$2,977,637. The Subordinate Note does not accrue any interest. At the time the Subordinate Note was issued by the District, the District borrowed \$2,072,672 against the Subordinate Note to pay off the total outstanding balance

The Subordinate Note is subordinate to the Senior Bonds in every respect. The District shall make no payments on the Subordinate Note in any year unless and until all required payments are made and all other obligations are met in connection with the Senior Bonds. Any and all payments on the Subordinate Note shall be made in accordance with the Senior Bond’s Indenture of Trust and other financing documents.

In the event that the Bonds are refinanced, the District agrees to use good faith best efforts to pay-off the then-outstanding balance of the Subordinate Note.

During the time that the Bonds are outstanding, any District payments on the Subordinate Note shall be subject to annual appropriation by the board of directors of the District. It is expressly understood and agreed between the Parties that the board of directors of the District shall determine annually the amount of the payment to be made on the Subordinate Note based upon a determination that any payment to LVCMD shall not impair the District’s ability to service the debt and reserve fund requirements of the Senior Bonds.

If any portion of the Subordinate Note remains unpaid on the date that the Senior Bonds are fully paid, then the Subordinate Note shall automatically convert to a multiple fiscal year contractual obligation not subject to annual appropriation and an amount equal to the Pledged Revenue for the Senior Bonds shall automatically become Pledged Revenue for purposes of making the principal-only payments on the Subordinate Note until it is paid in full.

As of September 30, 2024, the outstanding balance on the Subordinate Note is \$1,120,855.

Leases

The District has no operating or capital leases.

This financial information should be read only in connection with the summary of significant assumptions.

LUPTON VILLAGE RESIDENTIAL METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Reserve Funds

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending, excluding spending appropriations for bonded debt service, for 2025 as defined under TABOR.

Debt Reserve Funds

The Senior Bond Indenture does not provide for any reserve fund, surplus fund or any other fund or account from which debt service on the Bonds may be paid, other than the Bond Fund.

This financial information should be read only in connection with the summary of significant assumptions.