

MOUNTAIN SHADOWS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 452,184	\$ 353,951	\$ 245,718
REVENUES			
Property taxes	1,751,520	897,992	1,205,504
Specific ownership taxes	152,382	82,700	115,543
Urban Renewal - District Mill Levy	593,770	300,357	408,453
Maintenance Reimbursement - Patio Homes	13,625	13,687	15,000
TIF - Urban Renewal	180,000	180,000	180,000
2018 C-2 TIF Pledge	358,396	379,013	350,000
Contractual Obligation Mill Levy	-	29,979	29,989
Interest Income	68,899	18,644	6,090
Bond issuance proceeds	20,115,000	-	-
Total revenues	<u>23,233,592</u>	<u>1,902,372</u>	<u>2,310,579</u>
Total funds available	<u>23,685,776</u>	<u>2,256,323</u>	<u>2,556,297</u>
EXPENDITURES			
General Fund	358,205	254,701	498,000
Debt Service Fund	22,612,979	1,374,333	1,597,000
Debt Service Fund - 2018 C-2 TIF Pledge	360,641	381,571	350,000
Total expenditures	<u>23,331,825</u>	<u>2,010,605</u>	<u>2,445,000</u>
Total expenditures and transfers out requiring appropriation	<u>23,331,825</u>	<u>2,010,605</u>	<u>2,445,000</u>
ENDING FUND BALANCES	<u>\$ 353,951</u>	<u>\$ 245,718</u>	<u>\$ 111,297</u>
EMERGENCY RESERVE	\$ 12,100	\$ 6,100	\$ 14,000
AVAILABLE FOR OPERATIONS	161,144	115,289	75,947
TOTAL RESERVE	<u>\$ 173,244</u>	<u>\$ 121,389</u>	<u>\$ 89,947</u>

No assurance provided. See summary of significant assumptions.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	\$ 30,525,622	\$ 30,525,622	\$ 31,819,709
Commercial	693	605	488
State assessed	492,791	542,892	534,348
Vacant land	560,187	560,187	542,116
	31,579,293	31,629,306	32,896,661
Adjustments	(7,831,366)	(7,869,757)	(8,264,375)
Certified Assessed Value	\$ 23,747,927	\$ 23,759,549	\$ 24,632,286
 MILL LEVY			
General	11.122	4.208	11.540
Debt Service	63.300	33.587	37.400
Contractual Obligation	0.000	1.281	1.236
Total mill levy	74.422	39.076	50.176
 PROPERTY TAXES			
General	\$ 264,124	\$ 99,980	\$ 284,257
Debt Service	1,503,244	798,012	921,247
Contractual Obligation	-	30,436	30,446
	1,767,368	928,428	1,235,950
Levied property taxes	1,767,368	928,428	1,235,950
Adjustments to actual/rounding	(15,848)	-	-
Budgeted property taxes	\$ 1,751,520	\$ 928,428	\$ 1,235,950
 BUDGETED PROPERTY TAXES			
General	\$ 261,756	\$ 99,980	\$ 284,257
Debt Service	1,489,764	798,012	921,247
Contractual Obligation	-	30,436	30,446
	\$ 1,751,520	\$ 928,428	\$ 1,235,949

No assurance provided. See summary of significant assumptions.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 128,971	\$ 173,244	\$ 121,389
REVENUES			
Property taxes	261,756	99,980	284,257
Specific ownership taxes	22,773	11,700	29,420
Urban Renewal - District Mill Levy	88,736	40,000	104,002
Contractual Obligation Mill Levy	-	29,979	29,989
Interest Income	15,588	7,500	3,890
Maintenance Reimbursement - Patio Home:	13,625	13,687	15,000
Total revenues	402,478	202,846	466,558
Total funds available	531,449	376,090	587,947
EXPENDITURES			
General and administrative			
Accounting	37,495	25,000	45,000
Auditing	6,650	6,900	7,100
County Treasurer's Fee	3,928	1,918	4,264
Insurance	12,375	14,263	15,500
Legal	47,325	26,000	55,000
Miscellaneous	498	1,000	500
Transfers to Jefferson Center District No. 2	15,551	30,000	30,000
Transfers to HOA	-	13,687	15,000
Election	15,111	15,000	-
Contingency	-	-	19,136
Operations and maintenance			
Irrigation Repairs	20,969	22,000	25,000
Site Clean up & dog waste	12,470	3,933	13,000
Facilities management	13,794	14,500	20,000
Playground Repairs and Maintenance	-	-	63,000
Retention pond maintenance	9,195	-	10,000
Landscape Maintenance	87,814	40,000	95,000
Landscape Improvements and Repair	7,482	6,000	10,000
Snow removal	19,770	12,000	17,500
Water	45,233	20,000	50,000
Electricity	2,545	2,500	3,000
Total expenditures	358,205	254,701	498,000
Total expenditures and transfers out requiring appropriation	358,205	254,701	498,000
ENDING FUND BALANCES	\$ 173,244	\$ 121,389	\$ 89,947
EMERGENCY RESERVE	\$ 12,100	\$ 6,100	\$ 14,000
AVAILABLE FOR OPERATIONS	161,144	115,289	75,947
TOTAL RESERVE	\$ 173,244	\$ 121,389	\$ 89,947

No assurance provided. See summary of significant assumptions.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 318,196	\$ 177,796	\$ 123,832
REVENUES			
Property taxes	1,489,764	798,012	921,247
Specific ownership taxes	129,609	71,000	86,123
Urban Renewal - District Mill Levy	505,034	260,357	304,451
Interest Income	53,172	11,000	2,200
TIF - Urban Renewal	180,000	180,000	180,000
Bond issuance proceeds	20,115,000	-	-
Total revenues	<u>22,472,579</u>	<u>1,320,369</u>	<u>1,494,021</u>
Total funds available	<u>22,790,775</u>	<u>1,498,165</u>	<u>1,617,853</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	22,354	11,970	13,819
Paying agent fees	9,500	8,000	8,000
Contingency	-	-	17,664
Debt Service			
Bond Interest - Series 2016A	752,000	-	-
Bond Interest - Series 2016B	161,250	-	-
Bond Interest - Series 2018C-1	1,772,022	-	-
Bond Interest - Series 2024A	65,021	755,083	744,592
Bond Interest - Series 2024B	21,466	249,280	242,925
Bond Principal - Series 2016A	345,000	-	-
Bond Principal - Series 2016B	2,140,000	-	-
Bond Principal - Series 2018C-1	1,994,000	-	-
Bond Principal - Series 2024A	-	195,000	400,000
Bond Principal - Series 2024B	-	155,000	170,000
Cost of Issuance	281,125	-	-
Refunding escrow	15,049,241	-	-
Total expenditures	<u>22,612,979</u>	<u>1,374,333</u>	<u>1,597,000</u>
Total expenditures and transfers out requiring appropriation	<u>22,612,979</u>	<u>1,374,333</u>	<u>1,597,000</u>
ENDING FUND BALANCES	<u>\$ 177,796</u>	<u>\$ 123,832</u>	<u>\$ 20,853</u>

No assurance provided. See summary of significant assumptions.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
DEBT SERVICE FUND - 2018 C-2 TIF Pledge
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 5,017	\$ 2,911	\$ 497
REVENUES			
Interest Income	139	144	-
2018 C-2 TIF Pledge	358,396	379,013	350,000
Total revenues	<u>358,535</u>	<u>379,157</u>	<u>350,000</u>
Total funds available	<u>363,552</u>	<u>382,068</u>	<u>350,497</u>
EXPENDITURES			
Bond Interest - Series 2018C-2	360,641	381,571	350,000
Total expenditures	<u>360,641</u>	<u>381,571</u>	<u>350,000</u>
Total expenditures and transfers out requiring appropriation	<u>360,641</u>	<u>381,571</u>	<u>350,000</u>
ENDING FUND BALANCES	<u>\$ 2,911</u>	<u>\$ 497</u>	<u>\$ 497</u>

No assurance provided. See summary of significant assumptions.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District (formerly known as Jefferson Center Metropolitan District No. 6) was organized by order and decree of the District Court for the County of Jefferson in June 2004, as a quasi-municipal corporation established under the State of Colorado Special District Act. The District, along with Jefferson Center Metropolitan District No. 1, Jefferson Center Metropolitan District No. 2, Vauxmont Metropolitan District, Cimarron Metropolitan District, and Canyon Pines Metropolitan District (collectively, the "Districts") serve a service area which is located primarily in the City of Arvada, with some portions outside the City in unincorporated Jefferson County. The Districts were established to finance and construct water, sanitary and storm sewer, streets, limited fire protection services, park and recreation, safety protection, mosquito control, television relay and transmission and transportation facilities and services. Jefferson Center Metropolitan District No. 2 (the "Service District") is responsible for managing construction, operation and maintenance of certain regional improvements to benefit the service area as well as providing certain administrative services for the Districts. The District is responsible for providing certain funding needed to support the Service District's provision of services as well as providing for its own operations and maintenance and debt service.

Pursuant to the July 26, 2005, Facilities Funding, Construction and Operations Agreement, amended November 28, 2006, December 15, 2009, and November 1, 2010, the District is limited to issuing \$40,000,000 in debt.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

The calculation of the taxes levied is displayed on the property tax summary page of the budget. The District will receive its mill levy on the increment directly from the Northwest Arvada Urban Renewal Authority.

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate
Single-Family Residential	6.25%
Multi-Family Residential	6.25%
Commercial	27.00%
Industrial	27.00%
Lodging	27.00%

Category	Rate
Agricultural Land	27.00%
Renewable Energy Land	27.00%
Vacant Land	27.00%
Personal Property	27.00%
State Assessed	27.00%
Oil & Gas Production	87.50%

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of all the property taxes collected.

Urban Renewal - Tax Increment

The District will receive tax revenues on the TIF assessed value from the Northwest Arvada Urban Renewal Authority based on the number of overlapping mills (less the District mill levy) levied on the property.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.0%.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, utilities, landscaping, facilities management, snow plowing and other administrative expenses.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures - (Continued)

Transfer to Jefferson Center District #2

The Districts entered into a Facilities Funding, Construction and Operations Agreement ("FFCOA") on July 26, 2005, as amended on November 28, 2006, December 15, 2009, and November 1, 2010, to coordinate the financing, construction, operation and maintenance of the public improvements within the service area of the Districts and to establish the relationship between and respective responsibilities of the Service District and the Financing Districts. The FFCOA provides a framework for the equitable allocation over time among the Districts of the costs of administration of the Districts and the costs of financing, constructing, operating and maintaining the public improvements contemplated therein.

The Service District is generally responsible for providing the financing, construction, operations and maintenance of certain primary public infrastructure to serve the entire service area. To the extent none of the Financing Districts have elected otherwise, the Service District is also responsible for providing administrative services for the Financing Districts based upon each Financing District's agreement to pay its proportionate share of costs thereof. Effective January 1, 2008, the District elected to perform its own administrative services but shall nonetheless remain obligated to pay their proportionate share of the Service Districts direct administrative expenses. Funding for this obligation is provided by the imposition of a maximum general operations mill levy of 3 mills on the current assessed valuation.

Transfer to HOA

The District entered into a Independent Association Agreement, on January 1, 2025, with Whisper Creek Homeowners Association, Inc. (HOA), to coordinate the maintenance, repair, and replacement of landscaping and fencing within designated areas; under this agreement, the HOA provides these services as an independent contractor, and the District funds its obligations by remitting pledged revenues on a quarterly basis, with payments subject to annual budget approval and appropriation, while the HOA must meet specified performance standards, maintain insurance, and indemnify the District, ensuring compliance with all applicable laws and standards of care.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Debt Service

Principal and interest payments in 2025 are provided based on the debt amortization schedule from the 2024A and 2024B Loan Series.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District issued the Senior Bonds and the Subordinate Bonds (Series 2016A and 2016B) on March 31, 2016, in the amounts of \$17,445,000 and \$3,605,000, respectively. The proceeds from the sale of the Senior Bonds were used to: (i) pay the costs of refunding the General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2007 (the "Refunded Bonds"); (ii) finance public improvements related to the Development; and (iii) pay the costs of issuing the Senior Bonds. The proceeds from the sale of the Subordinate Bonds were used to: (i) finance public improvements related to the Development; and (ii) pay the costs of issuing the Subordinate Bonds.

On March 29, 2018, the District issued its \$1,994,000 Limited Tax Junior Lien Subordinate General Obligation Bonds, Series 2018C-1 (2018C-1 Bonds). The proceeds of the Series 2018C-1 Bonds were used to: (i) reimburse the Developer or related affiliates for the construction of certain accepted public improvements for the District; (ii) pay the costs of issuing the 2018C-1 Bonds; and (iii) pay the costs of issuing the District's Subordinate Special Revenue Bonds, Series 2018C-2 (2018C-2 Bonds).

On March 29, 2018, the District issued its \$3,632,000 Limited Tax Junior Lien Special Revenue Subordinate Bonds, Series 2018C-2 (2018C-2 Bonds). The proceeds of the Series 2018C-2 Bonds were used to reimburse the Developer or related affiliates for the construction of certain accepted public improvements for the district. The 2018C-2 Bonds bear interest at the rate of 9% per annum, and are payable annually from all Surplus Capital Pledge Agreement Revenue, and, any other legally available amounts which the District determines, in its absolute discretion, to credit to the 2018C-2 Subordinate Bond Fund on December 15, beginning on December 15, 2018 and maturing on December 15, 2034.

On October 31, 2024, the District issued a General Obligation Refunding Loan Series 2024A and Series 2024B in the amounts of \$14,035,000 and \$6,080,000, respectively. The proceeds of both the 2024A and 2024B loans were used to refinance Bond Series 2016A, 2016B, and 2018C-1.

The 2024A Loan Series are assumed to bear interest at 4.10% to 5.38%, payable semi-annually on June 1 and December 1, beginning on December 1, 2024. Annual principal payments are due on December 1, beginning on December 1, 2025. The 2024A Loan Series mature on December 1, 2046, and are subject to optional redemption on October 31, 2035, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

The 2024B Loan Series are assumed to bear interest at 4.10%, payable semi-annually on June 1 and December 1, beginning on December 1, 2024. Annual principal payments are due on December 1, beginning on December 1, 2025. The 2024B Loan Series mature on December 1, 2046, and are subject to optional redemption on October 31, 2035, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

The 2024A and 2024B Loan Series are secured by and payable solely from and to the extent of the Pledge Revenue, which includes monies derived from the following, net of costs of collection: (i) all revenue derived from imposition by the District of the Required Mill Levy, net of fees of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County; (ii) the portion of the Specific Ownership Tax which is collected as a result of the District's imposition of the Required Mill Levy; (iii) the Capital Pledge Agreement Revenue; and (iv) any other legally available moneys of the District which the District determines, in its absolute discretion, to apply as Pledge Revenue.

The 2024A and 2024B Loan Series agreement provides that a Required Mill Levy be imposed in the amount sufficient, when combined with Capital Pledge Agreement Revenue available or expected to be received before the following December 1st, to pay the principal of, premium if any, and interest on the 2024A and 2024B loans, as they become due and payable, but not in excess of 50 mills (subject to adjustment for changes occurring after January 1, 2004, the method of calculating assessed valuation).

Reserve Funds

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$14,035,000

**General Obligation Refunding Loan,
Series 2024A, Dated October 31, 2024**

Interest Rate of 4.10%-5.38%

**Payable June 1 and December 1,
Principal Due December 1**

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 400,000	\$ 744,592	\$ 1,144,592
2027	415,000	723,072	1,138,072
2028	450,000	700,745	1,150,745
2029	470,000	676,535	1,146,535
2030	505,000	651,249	1,156,249
2031	525,000	624,080	1,149,080
2032	565,000	595,835	1,160,835
2033	590,000	565,438	1,155,438
2034	630,000	533,696	1,163,696
2035	580,000	380,890	960,890
2036	590,000	357,110	947,110
2037	615,000	332,920	947,920
2038	660,000	307,705	967,705
2039	690,000	280,645	970,645
2040	745,000	252,355	997,355
2041	775,000	221,810	996,810
2042	830,000	190,035	1,020,035
2043	870,000	156,005	1,026,005
2044	930,000	120,335	1,050,335
2045	970,000	82,205	1,052,205
2046	1,035,000	42,435	1,077,435
	<u>\$ 13,840,000</u>	<u>\$ 8,539,692</u>	<u>\$ 22,379,692</u>

No assurance provided. See summary of significant assumptions.

**MOUNTAIN SHADOWS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$6,080,000

**General Obligation Refunding Loan,
Series 2024B, Dated October 31, 2024**

Interest Rate of 4.10%

**Payable June 1 and December 1,
Principal Due December 1**

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 170,000	\$ 242,925	\$ 412,925
2027	180,000	235,955	415,955
2028	195,000	228,575	423,575
2029	200,000	220,580	420,580
2030	215,000	212,380	427,380
2031	225,000	203,565	428,565
2032	245,000	194,340	439,340
2033	250,000	184,295	434,295
2034	270,000	174,045	444,045
2035	250,000	162,975	412,975
2036	250,000	152,725	402,725
2037	265,000	142,475	407,475
2038	285,000	131,610	416,610
2039	300,000	119,925	419,925
2040	315,000	107,625	422,625
2041	335,000	94,710	429,710
2042	355,000	80,975	435,975
2043	370,000	66,420	436,420
2044	395,000	51,250	446,250
2045	415,000	35,055	450,055
2046	440,000	18,040	458,040
	<u>\$ 5,925,000</u>	<u>\$ 3,060,445</u>	<u>\$ 8,985,445</u>

No assurance provided. See summary of significant assumptions.