

**RESOLUTION NO. 2025-11-04**

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY  
RESOLUTION OF THE BOARD OF DIRECTORS OF ROCK CANYON  
METROPOLITAN DISTRICT, DOUGLAS COUNTY, COLORADO, PURSUANT TO  
SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR  
EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY  
FOR THE BUDGET YEAR 2026**

A. The Board of Directors of Rock Canyon Metropolitan District (the “**District**”) has appointed the District Accountant to prepare and submit a proposed budget to said governing body at the proper time.

B. The District Accountant has submitted a proposed budget to this governing body for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 7, 2025, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ROCK CANYON METROPOLITAN DISTRICT, DOUGLAS COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.


**[SIGNATURE PAGE TO RESOLUTION TO ADOPT  
BUDGET AND APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on November 7, 2025.

**ROCK CANYON METROPOLITAN  
DISTRICT**

By: Sean Allen  
President

Attest:

By:   
Secretary

# EXHIBIT A

## Budget

**ROCK CANYON METRO DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2026**

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

12/18/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 213,896	\$ 261,108	\$ 342,352
REVENUES			
Property taxes	174,651	199,301	195,182
Specific ownership taxes	13,085	15,200	14,639
Interest Income	15,010	12,643	15,100
Other Revenue	1,230	2,300	-
Total revenues	<u>203,976</u>	<u>229,444</u>	<u>224,921</u>
Total funds available	<u>417,872</u>	<u>490,552</u>	<u>567,273</u>
EXPENDITURES			
General Fund	46,883	38,000	48,000
Debt Service Fund	109,881	110,200	163,000
Total expenditures	<u>156,764</u>	<u>148,200</u>	<u>211,000</u>
Total expenditures and transfers out requiring appropriation	<u>156,764</u>	<u>148,200</u>	<u>211,000</u>
ENDING FUND BALANCES	<u>\$ 261,108</u>	<u>\$ 342,352</u>	<u>\$ 356,273</u>
EMERGENCY RESERVE	\$ 1,400	\$ 1,600	\$ 1,500
SURPLUS FUND	273,640	327,400	327,400
BOND FUND	-	13,448	26,851
TOTAL RESERVE	<u>\$ 275,040</u>	<u>\$ 342,448</u>	<u>\$ 355,751</u>

See summary of significant assumptions.

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

12/18/25

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

**ASSESSED VALUATION**

Residential	\$ 2,228,930	\$ 2,626,040	\$ 2,564,860
State assessed	300	400	400
Vacant land	510	-	-
Personal property	67,060	41,500	44,400
Certified Assessed Value	\$ 2,296,800	\$ 2,667,940	\$ 2,609,660

**MILL LEVY**

General	17.552	17.239	17.259
Debt Service	58.506	57.463	57.533
Total mill levy	76.058	74.702	74.792

**PROPERTY TAXES**

General	\$ 40,313	\$ 45,993	\$ 45,040
Debt Service	134,377	153,308	150,142
Levied property taxes	174,690	199,301	195,182
Adjustments to actual/rounding	(39)	-	-
Budgeted property taxes	\$ 174,651	\$ 199,301	\$ 195,182

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 40,304</b>	<b>\$ 45,993</b>	<b>\$ 45,040</b>
<b>Debt Service</b>	<b>134,347</b>	<b>153,308</b>	<b>150,142</b>
	<b>\$ 174,651</b>	<b>\$ 199,301</b>	<b>\$ 195,182</b>

See summary of significant assumptions.

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

12/18/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (10,634)	\$ (12,532)	\$ 1,504
REVENUES			
Property taxes	40,304	45,993	45,040
Specific ownership taxes	3,020	3,500	3,378
Interest Income	431	243	100
Other Revenue	1,230	2,300	-
Total revenues	<u>44,985</u>	<u>52,036</u>	<u>48,518</u>
Total funds available	<u>34,351</u>	<u>39,504</u>	<u>50,022</u>
EXPENDITURES			
General and administrative			
Accounting	27,872	20,000	22,000
Auditing	5,400	5,700	6,000
County Treasurer's Fee	610	690	676
Dues and Membership	304	293	500
Insurance	3,156	3,271	3,300
Legal	9,496	6,000	12,000
Election	45	1,124	-
Contingency	-	922	3,524
Total expenditures	<u>46,883</u>	<u>38,000</u>	<u>48,000</u>
Total expenditures and transfers out requiring appropriation	<u>46,883</u>	<u>38,000</u>	<u>48,000</u>
ENDING FUND BALANCES	<u>\$ (12,532)</u>	<u>\$ 1,504</u>	<u>\$ 2,022</u>
EMERGENCY RESERVE	\$ 1,400	\$ 1,600	\$ 1,500
TOTAL RESERVE	<u>\$ 1,400</u>	<u>\$ 1,600</u>	<u>\$ 1,500</u>

See summary of significant assumptions.

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

12/18/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 224,530	\$ 273,640	\$ 340,848
REVENUES			
Property taxes	134,347	153,308	150,142
Specific ownership taxes	10,065	11,700	11,261
Interest Income	14,579	12,400	15,000
Total revenues	<u>158,991</u>	<u>177,408</u>	<u>176,403</u>
Total funds available	<u>383,521</u>	<u>451,048</u>	<u>517,251</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	2,031	2,300	2,252
Paying agent fees	7,000	7,000	7,000
Contingency	-	-	848
Debt Service			
Bond interest - Senior	81,850	80,900	79,900
Bond principal - Senior	19,000	20,000	23,000
Bond interest - Subordinate	-	-	50,000
Total expenditures	<u>109,881</u>	<u>110,200</u>	<u>163,000</u>
Total expenditures and transfers out requiring appropriation	<u>109,881</u>	<u>110,200</u>	<u>163,000</u>
ENDING FUND BALANCES	<u>\$ 273,640</u>	<u>\$ 340,848</u>	<u>\$ 354,251</u>
SURPLUS FUND	\$ 273,640	\$ 327,400	\$ 327,400
BOND FUND	-	13,448	26,851
TOTAL RESERVE	<u>\$ 273,640</u>	<u>\$ 340,848</u>	<u>\$ 354,251</u>

See summary of significant assumptions.

**ROCK CANYON METROPOLITAN DISTRICT  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by Order and Decree of the District Court of Douglas County, Colorado on February 28, 2019, to provide financing for design, acquisition, construction and installation and financing of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, and sewer and drainage facilities, and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of Douglas County, Colorado.

The budget is in accordance with the TABOR Amendment limitations, which were modified by the voters in an election held on November 6, 2018. Additionally, the election allows the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

On November 6, 2018, the District's voters authorized general obligation indebtedness of \$65,000,000 for District improvements, \$5,000,000 for the purpose of refunding debt, \$5,000,000 in intergovernmental agreements, and \$5,000,000 for operations and maintenance debt. The service plan has a limitation on the issuance of debt to \$10,000,000.

The initial and maximum debt service mill levy will be 50.000 mills subject to changes in the method of calculating assessed valuation. The initial and maximum operations and maintenance mill levy will be 15.000 mills. The combined initial and maximum mill levy for the District will be 65.000 mills, subject to adjustment.

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.T.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.

**ROCK CANYON METROPOLITAN DISTRICT  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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.

The primary source of revenue is property taxes. The calculation of the taxes levied is displayed on the Property Tax Summary pages of the budget using the adopted mill levy imposed by the District.

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

<b>Category</b>	<b>Rate</b>	<b>Category</b>	<b>Rate</b>
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	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 7.50% of the property taxes collected by the District.

**Interest Income**

Interest earned on the District’s available funds has been estimated based on an average interest rate of approximately 4.00%.

**Expenditures**

**Administrative and Operating Expenditures**

Administrative and operating expenditures include the estimated costs of services necessary to maintain the District’s administrative viability such as legal, accounting, insurance, banking, and meeting costs.

**ROCK CANYON METROPOLITAN DISTRICT  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2020A Bonds (discussed under Debt and Leases).

**Debt and Leases**

The District issued Senior Bonds and the Subordinate Bonds on January 7, 2020, in the respective amounts of \$1,637,000 and \$398,000.

Proceeds from the sale of the Senior Bonds were used to: (a) pay or reimburse the Project Costs; (b) make a deposit to the Senior Surplus Fund; (c) fund capitalized interest on the Senior Bonds; and (d) pay costs of issuance of the Bonds. Proceeds from the sale of the Subordinate Bonds were used to: (a) pay or reimburse Project Costs; and (b) pay other costs incurred in connection with the issuance of the Subordinate Bonds.

The Senior Bonds bear interest of 5.000% and are payable semi-annually on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The Senior Bonds mature on December 1, 2049. To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Senior Bond. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each interest payment date at the rate then borne by the Senior Bonds. The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Senior Bonds.

The Subordinate Bonds were issued at the rate of 8.750% (with a combined yield with the Senior Bonds of 5.8152% per Form 8038-G) per annum and are payable annually on December 15, beginning December 15, 2019 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Subordinate Bonds. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2059 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date.

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, which includes:

- (a) the Senior Required Mill Levy;
- (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

**ROCK CANYON METROPOLITAN DISTRICT  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection, which includes:

- (a) the Subordinate Required Mill Levy;
- (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

The Senior Bonds are additionally secured by capitalized interest which will be funded from the proceeds of the Senior Bonds and by amounts, if any, in the Senior Surplus Fund.

Except for an initial deposit of \$129,000 from proceeds of the Senior Bonds, the Senior Surplus Fund will be funded solely from Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year up to the Maximum Surplus Amount of \$327,400. Pursuant to the Senior Indenture, the Senior Surplus Fund shall be maintained for so long as any Senior Bond is outstanding. The use of moneys released from the Senior Surplus Fund when no Senior Bonds are outstanding shall be subject to any pledges, liens, or other encumbrances, including any pledge, lien, or encumbrance created under the terms of any other Parity Bonds or Subordinate Bonds.

Optional Redemption. The Series 2020A Senior Bonds are also subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2024, and on any date thereafter, upon payment of par, accrued interest and a redemption premium of a percentage of the principal amount so redeemed as follows:

<u><b>Date of Redemption</b></u>	<u><b>Redemption Premium</b></u>
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

Optional Redemption. The Series 2020B<sub>(3)</sub> Subordinate Bonds are also subject to redemption prior to maturity, at the option of the District, as a whole or integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2024, and on any date thereafter, upon payment of par, accrued interest and a redemption premium of a principal so redeemed, as follows:

<u><b>Date of Redemption</b></u>	<u><b>Redemption Premium</b></u>
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

The District has no operating or capital leases.

**ROCK CANYON METROPOLITAN DISTRICT  
2026 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

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.**

**ROCK CANYON METROPOLITAN DISTRICT**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2024**

	\$1,637,000		
	General Obligation Bonds		
	Series 2020A		
	Dated January 7, 2020		
	Interest Rate 5.000% Payable		
	June 1 and December 1		
Bonds/Loans and Interest	Principal Payable December 1		
Maturing in the	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Year Ending December 31,</u>			
2026	23,000	79,900	102,900
2027	25,000	78,750	103,750
2028	28,000	77,500	105,500
2029	29,000	76,100	105,100
2030	33,000	74,650	107,650
2031	35,000	73,000	108,000
2032	38,000	71,250	109,250
2033	40,000	69,350	109,350
2034	44,000	67,350	111,350
2035	47,000	65,150	112,150
2036	51,000	62,800	113,800
2037	54,000	60,250	114,250
2038	59,000	57,550	116,550
2039	62,000	54,600	116,600
2040	67,000	51,500	118,500
2041	71,000	48,150	119,150
2042	77,000	44,600	121,600
2043	80,000	40,750	120,750
2044	87,000	36,750	123,750
2045	91,000	32,400	123,400
2046	98,000	27,850	125,850
2047	103,000	22,950	125,950
2048	111,000	17,800	128,800
2049	245,000	12,250	257,250
Total	<u>\$ 1,598,000</u>	<u>\$ 1,303,200</u>	<u>\$ 2,901,200</u>

See summary of significant assumptions.

I, Selket Allen, hereby certify that I am the duly appointed Secretary of the Rock Canyon Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2026, duly adopted at a meeting of the Board of Directors of the Rock Canyon Metropolitan District held on November 7, 2025.



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Secretary