

**RESOLUTION NO. 2024-11-02**

**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 2025**

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 8, 2024, 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 FOLLOWS]**


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

RESOLUTION APPROVED AND ADOPTED on November 8, 2024.

**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, 2025**

**ROCK CANYON METROPOLITAN DISTRICT  
SUMMARY  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 217,658	\$ 213,896	\$ 270,541
REVENUES			
Property taxes	102,854	174,690	199,301
Specific ownership taxes	9,538	13,100	17,937
Interest Income	12,069	10,111	9,200
Other Revenue	-	1,230	-
Total revenues	<u>124,461</u>	<u>199,131</u>	<u>226,438</u>
Total funds available	<u>342,119</u>	<u>413,027</u>	<u>496,979</u>
EXPENDITURES			
General Fund	38,186	32,620	45,000
Debt Service Fund	90,037	109,866	111,000
Total expenditures	<u>128,223</u>	<u>142,486</u>	<u>156,000</u>
Total expenditures and transfers out requiring appropriation	<u>128,223</u>	<u>142,486</u>	<u>156,000</u>
ENDING FUND BALANCES	<u>\$ 213,896</u>	<u>\$ 270,541</u>	<u>\$ 340,979</u>
EMERGENCY RESERVE	\$ 800	\$ 1,400	\$ 1,600
TOTAL RESERVE	<u>\$ 225,330</u>	<u>\$ 270,541</u>	<u>\$ 335,847</u>

No assurance provided. See summary of significant assumptions.

**ROCK CANYON METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
<b>ASSESSED VALUATION</b>			
Residential	\$ 585,160	\$ 2,228,930	\$ 2,626,040
State assessed	100	300	400
Vacant land	940,710	510	-
Personal property	35,360	67,060	41,500
Certified Assessed Value	\$ 1,561,330	\$ 2,296,800	\$ 2,667,940
 <b>MILL LEVY</b>			
General	15.201	17.552	17.239
Debt Service	50.674	58.506	57.463
Total mill levy	65.875	76.058	74.702
 <b>PROPERTY TAXES</b>			
General	\$ 23,734	\$ 40,313	\$ 45,993
Debt Service	79,119	134,377	153,308
Refund and abatements	1	-	-
Budgeted property taxes	\$ 102,854	\$ 174,690	\$ 199,301
 <b>BUDGETED PROPERTY TAXES</b>			
General	\$ 23,734	\$ 40,313	\$ 45,993
Debt Service	79,120	134,377	153,308
	\$ 102,854	\$ 174,690	\$ 199,301

**ROCK CANYON METROPOLITAN DISTRICT  
GENERAL FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 1,402	\$ (10,634)	\$ 1,400
REVENUES			
Property taxes	23,734	40,313	45,993
Specific ownership taxes	2,201	3,000	4,139
Interest Income	215	111	200
Other Revenue	-	1,230	-
Total revenues	<u>26,150</u>	<u>44,654</u>	<u>50,332</u>
Total funds available	<u>27,552</u>	<u>34,020</u>	<u>51,732</u>
EXPENDITURES			
General and administrative			
Accounting	16,355	15,500	20,000
Auditing	4,900	5,400	5,700
County Treasurer's Fee	356	605	690
Dues and Membership	411	304	500
Insurance	3,024	2,561	3,000
Legal	11,238	8,000	12,000
Miscellaneous	30	-	-
Election	1,872	-	3,000
Contingency	-	250	110
Total expenditures	<u>38,186</u>	<u>32,620</u>	<u>45,000</u>
Total expenditures and transfers out requiring appropriation	<u>38,186</u>	<u>32,620</u>	<u>45,000</u>
ENDING FUND BALANCES	<u>\$ (10,634)</u>	<u>\$ 1,400</u>	<u>\$ 6,732</u>
EMERGENCY RESERVE	<u>\$ 800</u>	<u>\$ 1,400</u>	<u>\$ 1,600</u>
TOTAL RESERVE	<u>\$ 800</u>	<u>\$ 1,400</u>	<u>\$ 1,600</u>

No assurance provided. See summary of significant assumptions.

**ROCK CANYON METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 216,256	\$ 224,530	\$ 269,141
REVENUES			
Property taxes	79,120	134,377	153,308
Specific ownership taxes	7,337	10,100	13,798
Interest Income	11,854	10,000	9,000
Total revenues	<u>98,311</u>	<u>154,477</u>	<u>176,106</u>
Total funds available	<u>314,567</u>	<u>379,007</u>	<u>445,247</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	1,187	2,016	2,300
Paying agent fees	7,000	7,000	7,000
Contingency	-	-	800
Debt Service			
Bond interest	81,850	81,850	80,900
Bond principal	-	19,000	20,000
Total expenditures	<u>90,037</u>	<u>109,866</u>	<u>111,000</u>
Total expenditures and transfers out requiring appropriation	<u>90,037</u>	<u>109,866</u>	<u>111,000</u>
ENDING FUND BALANCES	<u>\$ 224,530</u>	<u>\$ 269,141</u>	<u>\$ 334,247</u>
SURPLUS FUND	\$ 224,530	\$ 269,141	\$ 327,400
BOND FUND	-	-	6,847
TOTAL RESERVE	<u>\$ 224,530</u>	<u>\$ 269,141</u>	<u>\$ 334,247</u>

**ROCK CANYON METROPOLITAN DISTRICT  
2025 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. For collection year 2025, the District will levy a general fund mill levy of 17.239 mills and a debt service mill levy of 57.463 mills for a combined mill levy of 74.702 mills.

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  
2025 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 2025, SB22-238, SB 22-238, SB 23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>		<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			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 9% of the property taxes collected by the District.

**Developer Advance**

The District is in the development stage. As such, a portion of the operating and administrative costs for 2025 are to be funded by the Developer.

**Interest Income**

Interest earned on the District’s available funds has been estimated based on an average interest rate of approximately 2%.

**ROCK CANYON METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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.

**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

**ROCK CANYON METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

- (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.

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<sup>(3)</sup> 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

**ROCK CANYON METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

The District has no operating or capital leases.

**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**

**\$1,637,000 General Obligation Bonds, Series 2020A**

**Dated January 7, 2020**

**Principal due December 1**

**Interest Rate 5.000% Payable**

**June 1 and December 1**

<b>Year Ended December 31,</b>	<b>Principal</b>		<b>Interest</b>		<b>Total</b>	
2025	\$	20,000	\$	80,900	\$	100,900
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
	\$	1,618,000	\$	1,384,100	\$	3,002,100

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 2025, duly adopted at a meeting of the Board of Directors of the Rock Canyon Metropolitan District held on November 6, 2024.



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Secretary