

ROCK CREEK METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**ROCK CREEK METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (45,413)	\$ 7,706,015	\$ 16,580,110
REVENUES			
Property taxes	3,461	6,457	6,458
Specific ownership tax	407	648	646
Interest income	1,663	25,728	10,300
Facilities fees	-	14,400	14,400
Mobile home park fees	-	120,000	120,000
Developer advance	133,386	35,691	63,788
Tap Fees	-	-	1,045,000
Bond Proceeds - Series 2021A-1	6,110,000	-	-
Bond Proceeds - Series 2021A-2	3,432,000	-	-
Bond Proceeds - Series 2022A-1	-	5,685,000	-
Bond Proceeds - Series 2022B	-	2,240,000	-
Bond interest - Special Revenue Fund	-	7,285,000	-
Total revenues	<u>9,680,917</u>	<u>15,412,924</u>	<u>1,260,592</u>
TRANSFERS IN	<u>806,935</u>	<u>1,370,955</u>	<u>-</u>
Total funds available	<u>10,442,439</u>	<u>24,489,894</u>	<u>17,840,702</u>
EXPENDITURES			
General Fund	56,451	42,834	64,972
Debt Service Fund	151,073	291,781	1,664,194
Capital Projects Fund	1,721,965	6,204,214	14,708,411
Total expenditures	<u>1,929,489</u>	<u>6,538,829</u>	<u>16,437,577</u>
TRANSFERS OUT	<u>806,935</u>	<u>1,370,955</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,736,424</u>	<u>7,909,784</u>	<u>16,437,577</u>
ENDING FUND BALANCES	<u>\$ 7,706,015</u>	<u>\$ 16,580,110</u>	<u>\$ 1,403,125</u>
EMERGENCY RESERVE	\$ 100	\$ 100	\$ 100
DEBT SERVICE RESERVE - SERIES 2021	-	513,588	513,588
DEBT SERVICE RESERVE - SERIES 2022	-	553,736	553,736
CAPITALIZED INTEREST	-	814,275	335,701
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ 1,881,699</u>	<u>\$ 1,403,125</u>

No assurance provided. See summary of significant assumptions.

**ROCK CREEK METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED			
Residential	\$ -	\$ 14,360	\$ 13,970
Vacant land	51,820	82,310	82,310
	<u>51,820</u>	<u>96,670</u>	<u>96,280</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 51,820</u>	<u>\$ 96,670</u>	<u>\$ 96,280</u>
General	11.132	11.132	11.178
Debt Service	55.664	55.664	55.896
Total mill levy	<u>66.796</u>	<u>66.796</u>	<u>67.074</u>
General	\$ 577	\$ 1,076	\$ 1,076
Debt Service	2,884	5,380	5,382
Levied property taxes	<u>3,461</u>	<u>6,456</u>	<u>6,458</u>
Budgeted property taxes	<u>\$ 3,461</u>	<u>\$ 6,457</u>	<u>\$ 6,458</u>
BUDGETED PROPERTY TAXES			
General	\$ 577	\$ 1,076	\$ 1,076
Debt Service	2,884	5,381	5,382
	<u>\$ 3,461</u>	<u>\$ 6,457</u>	<u>\$ 6,458</u>

No assurance provided. See summary of significant assumptions.

**ROCK CREEK METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (16,739)	\$ 6,059	\$ 100
REVENUES			
Property taxes	577	1,076	1,076
Specific ownership tax	68	108	108
Interest income	18	-	-
Developer advance	78,586	35,691	63,788
Total revenues	<u>79,249</u>	<u>36,875</u>	<u>64,972</u>
Total funds available	<u>62,510</u>	<u>42,934</u>	<u>65,072</u>
EXPENDITURES			
General and administrative			
Accounting	15,135	20,000	23,000
County Treasurer's fee	9	16	16
Directors' fees	-	3,178	2,000
Dues and subscriptions	777	314	1,000
Insurance and bonds	2,627	2,627	3,000
Legal services	37,894	15,000	16,500
Miscellaneous	6	-	5,000
Banking fees	3	-	-
Payroll taxes	-	483	153
Election expense	-	1,216	5,000
Contingency	-	-	9,303
Total expenditures	<u>56,451</u>	<u>42,834</u>	<u>64,972</u>
Total expenditures and transfers out requiring appropriation	<u>56,451</u>	<u>42,834</u>	<u>64,972</u>
ENDING FUND BALANCES	<u>\$ 6,059</u>	<u>\$ 100</u>	<u>\$ 100</u>
EMERGENCY RESERVE	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>
TOTAL RESERVE	<u><u>\$ 100</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ 100</u></u>

No assurance provided. See summary of significant assumptions.

**ROCK CREEK METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 659,324	\$ 1,881,599
REVENUES			
Property taxes	2,884	5,381	5,382
Specific ownership tax	339	540	538
Interest income	239	2,780	300
Facilities fees	-	14,400	14,400
Mobile home park fees	-	120,000	120,000
Tap Fees	-	-	1,045,000
Total revenues	<u>3,462</u>	<u>143,101</u>	<u>1,185,620</u>
TRANSFERS IN			
Transfers from other funds	806,935	1,370,955	-
Total funds available	<u>810,397</u>	<u>2,173,380</u>	<u>3,067,219</u>
EXPENDITURES			
County Treasurer's fee	45	81	81
Banking fees	5	50	50
Paying agent fees	-	7,000	8,000
Contingency	-	-	-
Bond interest - 2021	151,023	284,650	284,650
Bond interest - 2022A	-	-	326,888
Bond principal - Special Revenue Fund	-	-	571,000
Bond interest - Special Revenue Fund	-	-	473,525
Total expenditures	<u>151,073</u>	<u>291,781</u>	<u>1,664,194</u>
Total expenditures and transfers out requiring appropriation	<u>151,073</u>	<u>291,781</u>	<u>1,664,194</u>
ENDING FUND BALANCES	<u>\$ 659,324</u>	<u>\$ 1,881,599</u>	<u>\$ 1,403,025</u>
DEBT SERVICE RESERVE - SERIES 2021	\$ -	\$ 513,588	\$ 513,588
DEBT SERVICE RESERVE - SERIES 2022	-	553,736	553,736
CAPITALIZED INTEREST	-	814,275	335,701
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 1,881,599</u>	<u>\$ 1,403,025</u>

No assurance provided. See summary of significant assumptions.

**ROCK CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (28,674)	\$ 7,040,632	\$ 14,698,411
REVENUES			
Interest income	1,406	22,948	10,000
Developer advance	54,800	-	-
Bond Proceeds - Series 2021A-1	6,110,000	-	-
Bond Proceeds - Series 2021A-2	3,432,000	-	-
Bond Proceeds - Series 2022A-1	-	5,685,000	-
Bond Proceeds - Series 2022B	-	2,240,000	-
Bond Proceeds - Special Revenue	-	7,285,000	-
Total revenues	<u>9,598,206</u>	<u>15,232,948</u>	<u>10,000</u>
Total funds available	<u>9,569,532</u>	<u>22,273,580</u>	<u>14,708,411</u>
EXPENDITURES			
Legal services	-	-	10,000
Accounting	1,436	3,296	10,000
Miscellaneous	-	-	-
Banking fees	45	566	600
Contingency	-	-	-
Engineering	2,588	-	50,000
Bond issue costs	541,253	430,900	-
Capital outlay	900,673	5,769,452	14,614,434
Repay developer advance	275,970	-	23,377
Total expenditures	<u>1,721,965</u>	<u>6,204,214</u>	<u>14,708,411</u>
TRANSFERS OUT			
Transfers to other fund	<u>806,935</u>	<u>1,370,955</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,528,900</u>	<u>7,575,169</u>	<u>14,708,411</u>
ENDING FUND BALANCES	<u>\$ 7,040,632</u>	<u>\$ 14,698,411</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**ROCK CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Rock Creek Metropolitan District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court of El Paso County, Colorado on January 23, 2018, and is governed pursuant to provision of the Colorado Special District Act 9Title 32, Article, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on January 23, 2018.

The District's service area is located in El Paso, County, Colorado. The District was organized to provide financing and construction for street improvements and drainage with safety protection, portable water and wastewater system, mosquito control, limited covenant enforcement, parks and open space, transportation system, and the operation and maintenance of the District.

The District's voters held an election on May 8, 2018. The election approved general obligation indebtedness of \$8,000,000 for street improvements, water facilities, sanitation, traffic and safety, parks and recreation, transportation, television and relay, mosquito control, security, fire protection, and for District Debt. The election approved an annual increase in taxes of \$10,000,000 for general operations and maintenance.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$8,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable. The Service plan is anticipated to be amended in 2022 to increase the permitted bond indebtedness to allow for the Series 2022 bond issuances.

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.

**ROCK CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes – (continued)

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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 10% of the property taxes collected.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Tap Fees

During 2023, the District anticipates collecting approximately \$1,045,000 in total tap fees. The estimated tap fee per unit ranges from \$15,000 to \$40,000 and it is anticipated that the District will collect on 43 units in 2023.

Expenditures

General and Administrative Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense.

County Treasurer's Fees

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

**ROCK CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt Service

Interest payments in 2023 are based on the bond issuance and specific terms are noted within the bond issuance assumption.

Debt and Leases

Bond Issuance

On May 20, 2021, the District issued \$6,110,000 in Series 2021A-1 Limited Tax General Obligation Bonds and \$3,432,000 in Series 2021A-2 Special Revenue Bonds. The proceeds were used to pay for bond issuance costs and to pay for Project Costs.

The Series 2021A-1 bonds bear interest at a rate of 4.500 – 4.750%, payable annually on December 1, beginning on December 1, 2021. The Series 2021A-1 bonds mature on 2050. The Series 2021A-2 bonds bear interest at a rate of 4.000%, payable annually on December 1, beginning on December 1, 2021. The Series 2021A-1 bonds mature on 2024.

The District is planning on issuing additional bonds in 2022. The latest financial plan estimates \$5,685,000 in Series 2022A-1 Bonds, \$2,244,000 in Series 2022B Bonds, and \$7,285,000 in Special Fee Revenue Bonds. Information on final amounts, interest rates, and maturity dates is not yet available.

The District's current debt service schedule is attached.

The District has no operating or capital leases.

Developer Funding Agreement

The District has entered into a Reimbursement and Facilities and Funding Acquisition Agreements with The Equity Group LLC (Developer) pursuant to which the District agrees to reimburse the Developer for advances made to or on behalf of the District plus interest of 8% annually for costs related to the construction of public improvements subject to limitations set forth in the Service Plan.

Among the following pages is an analysis of projected changes in the District's long-term obligations for the years ending December 31, 2022 and 2023.

**ROCK CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

	Balance - December 31, 2021	Additions	Retirements	Anticipated Balance - December 31, 2022
BOND PAYABLE				
Bond Principal				
Series 2021A-1	\$ 6,110,000	\$ -	\$ -	\$ 6,110,000
Series 2021A-2	3,432,000	-	-	3,432,000
Series 2022A	-	5,685,000	-	5,685,000
Series 2022B	-	2,240,000	-	2,240,000
Special Revenue Bond	-	7,285,000	-	7,285,000
Bond Unpaid Accrued Interest				
Series 2021A-2	-	126,183	-	126,183
Series 2022B	-	7,418	-	7,418
BONDS PAYABLE SUBTOTAL	\$ 9,542,000	\$ 15,343,601	\$ -	\$ 24,885,601
DEVELOPER ADVANCE				
Developer Advances - Operating	\$ 153,325	\$ 35,691	\$ -	\$ 189,016
Developer Advances - Capital	20,126	-	-	20,126
Accrued Interest - Developer Advances:				
Operating	18,037	13,461	-	31,498
Accrued Interest - Developer Advances:				
Capital	843	1,610	-	2,453
DEVELOPER ADVANCE SUBTOTAL	192,331	50,762	-	243,093
TOTAL LIABILITIES	\$ 9,734,331	\$ 15,394,363	\$ -	\$ 25,128,694
	Anticipated Balance - December 31, 2022	Additions	Retirements	Anticipated Balance - December 31, 2023
BOND PAYABLE				
Bond Principal				
Series 2021A-1	\$ 6,110,000	\$ -	\$ -	\$ 6,110,000
Series 2021A-2	3,432,000	-	-	3,432,000
Series 2022A	5,685,000	-	-	5,685,000
Series 2022B	2,240,000	-	-	2,240,000
Special Revenue Bond	7,285,000	-	571,000	6,714,000
Bond Unpaid Accrued Interest				
Series 2021A-2	126,183	118,607	-	244,790
Series 2022B	7,418	198,788	-	206,206
BONDS PAYABLE SUBTOTAL	\$ 24,885,601	\$ 317,395	\$ 571,000	\$ 24,631,996
DEVELOPER ADVANCE				
Developer Advances - Operating	\$ 189,016	\$ 63,778	\$ -	\$ 252,794
Developer Advances - Capital	20,126	-	20,126	-
Accrued Interest - Developer Advances:				
Operating	31,498	20,213	-	51,710
Accrued Interest - Developer Advances:				
Capital	2,453	798	3,252	-
DEVELOPER ADVANCE SUBTOTAL	243,093	84,789	23,377	304,504
TOTAL LIABILITIES	\$ 25,128,694	\$ 402,184	\$ 594,377	\$ 24,936,500

**ROCK CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to 3% of fiscal year spending for 2023, as defined under TABOR.

Debt Service Reserve

The District will maintain a Debt Service Reserve as required with the issuance of the Bonds.

This information is an integral part of the accompanying budget.