

MEADOWS METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**MEADOWS METROPOLITAN DISTRICT NO. 1
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 1,072,441	\$ 1,088,311	\$ 803,470
REVENUES			
Property taxes	2,645,867	2,643,793	2,515,913
Specific ownership taxes	198,193	201,530	188,693
Interest income	98,790	88,000	49,000
Conservation trust fund	37,073	40,000	50,000
Other revenue	18,130	-	87,596
Intergovernmental revenue - District No. 4	6,183,403	6,176,049	6,227,504
Total revenues	<u>9,181,456</u>	<u>9,149,372</u>	<u>9,118,706</u>
Total funds available	<u>10,253,897</u>	<u>10,237,683</u>	<u>9,922,176</u>
EXPENDITURES			
General Fund	2,880,394	3,094,202	3,395,112
Debt Service Fund	6,256,071	6,340,011	6,360,000
Capital Projects Fund	29,121	-	161,764
Total expenditures	<u>9,165,586</u>	<u>9,434,213</u>	<u>9,916,876</u>
Total expenditures and transfers out requiring appropriation	<u>9,165,586</u>	<u>9,434,213</u>	<u>9,916,876</u>
ENDING FUND BALANCES	<u>\$ 1,088,311</u>	<u>\$ 803,470</u>	<u>\$ 5,300</u>
EMERGENCY RESERVE	\$ 4,000	\$ 5,200	\$ 5,300
TOTAL RESERVE	<u>\$ 4,000</u>	<u>\$ 5,200</u>	<u>\$ 5,300</u>

See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	\$ 74,793,380	\$ 74,826,860	\$ 71,183,490
Commercial	65,690	-	-
State assessed	601,300	637,100	625,000
Vacant land	138,910	72,980	74,740
Certified Assessed Value	<u>\$ 75,599,280</u>	<u>\$ 75,536,940</u>	<u>\$ 71,883,230</u>
MILL LEVY			
General	5.416	5.720	6.345
Debt Service	29.584	29.280	28.655
Total mill levy	<u>35.000</u>	<u>35.000</u>	<u>35.000</u>
PROPERTY TAXES			
General	\$ 409,446	\$ 432,071	\$ 456,099
Debt Service	2,236,529	2,211,722	2,059,814
Budgeted property taxes	<u>\$ 2,645,975</u>	<u>\$ 2,643,793</u>	<u>\$ 2,515,913</u>
BUDGETED PROPERTY TAXES			
General	\$ 409,446	\$ 432,071	\$ 456,099
Debt Service	2,236,529	2,211,722	2,059,814
	<u>\$ 2,645,975</u>	<u>\$ 2,643,793</u>	<u>\$ 2,515,913</u>

**MEADOWS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 864,989	\$ 899,585	\$ 695,706
REVENUES			
Property taxes	2,645,867	2,643,793	2,515,913
Specific ownership taxes	198,193	201,530	188,693
Interest income	52,800	45,000	-
Other revenue	18,130	-	100
Total revenues	<u>2,914,990</u>	<u>2,890,323</u>	<u>2,704,706</u>
Total funds available	<u>3,779,979</u>	<u>3,789,908</u>	<u>3,400,412</u>
EXPENDITURES			
General and administrative			
Accounting	37,810	50,000	52,000
Auditing	4,100	4,300	5,000
County Treasurer's Fee	39,983	39,657	37,739
Directors' fees	1,400	1,900	2,000
Dues and Membership	1,238	1,238	1,400
Insurance	2,127	2,131	2,500
Legal	22,443	26,000	27,000
Legal - Special services	-	40,000	60,000
Miscellaneous	-	800	200
Payroll taxes	107	138	153
Election	-	5,579	-
Contingency	-	-	5,000
Community support	20,000	-	-
Intergovernmental expense - District No. 4	2,716,162	2,727,381	2,528,867
Operations and maintenance			
Unallocated priority expenses	-	-	42,747
Capital improvements	35,024	195,078	630,506
Total expenditures	<u>2,880,394</u>	<u>3,094,202</u>	<u>3,395,112</u>
Total expenditures and transfers out requiring appropriation	<u>2,880,394</u>	<u>3,094,202</u>	<u>3,395,112</u>
ENDING FUND BALANCES	<u>\$ 899,585</u>	<u>\$ 695,706</u>	<u>\$ 5,300</u>
EMERGENCY RESERVE	<u>\$ 4,000</u>	<u>\$ 5,200</u>	<u>\$ 5,300</u>

See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 153,279	\$ 123,962	\$ -
REVENUES			
Interest income	43,351	40,000	45,000
Other revenue	-	-	87,496
Intergovernmental revenue - District No. 4	6,183,403	6,176,049	6,227,504
Total revenues	<u>6,226,754</u>	<u>6,216,049</u>	<u>6,360,000</u>
Total funds available	<u>6,380,033</u>	<u>6,340,011</u>	<u>6,360,000</u>
EXPENDITURES			
Debt Service			
Bond interest	6,256,071	6,340,011	6,272,504
Contingency	-	-	87,496
Total expenditures	<u>6,256,071</u>	<u>6,340,011</u>	<u>6,360,000</u>
Total expenditures and transfers out requiring appropriation	<u>6,256,071</u>	<u>6,340,011</u>	<u>6,360,000</u>
ENDING FUND BALANCES	<u>\$ 123,962</u>	<u>\$ -</u>	<u>\$ -</u>

See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 54,173	\$ 64,764	\$ 107,764
REVENUES			
Conservation trust fund	37,073	40,000	50,000
Interest income	2,639	3,000	4,000
Total revenues	<u>39,712</u>	<u>43,000</u>	<u>54,000</u>
Total funds available	<u>93,885</u>	<u>107,764</u>	<u>161,764</u>
EXPENDITURES			
Capital Projects			
Parks and recreation	29,121	-	161,764
Total expenditures	<u>29,121</u>	<u>-</u>	<u>161,764</u>
Total expenditures and transfers out requiring appropriation	<u>29,121</u>	<u>-</u>	<u>161,764</u>
ENDING FUND BALANCES	<u>\$ 64,764</u>	<u>\$ 107,764</u>	<u>\$ -</u>

See summary of significant assumptions.

MEADOWS METROPOLITAN DISTRICT NO. 1
OPERATIONAL EXPENDITURES - DETAILS
2025 BUDGET AS PROPOSED
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/12/2026

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
Accounting	\$ 37,810	\$ 50,000	\$ 52,000
Audit	4,100	4,300	5,000
Director fees	1,400	1,900	2,000
Insurance	2,127	2,131	2,500
Legal	22,443	26,000	27,000
Dues and membership	1,238	1,238	1,400
Community support	20,000	-	-
Payroll taxes	107	138	153
Election expense	-	5,579	-
Contingency	-	-	5,000
Miscellaneous	-	800	200
Unallocated priority expenses	-	-	42,747
Total Operational Expenditures	\$ 89,225	\$ 92,086	\$ 138,000
 Calculation of Operational Expenditures adjusted for inflation	 \$ 124,000	 \$ 130,000	 \$ 134,000
	104.900%	102.700%	102.800%
 Rounded to nearest \$100	 \$ 130,000	 \$ 134,000	 \$ 138,000

See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

BOARD CONTROL

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 864,989	\$ 888,870	\$ 695,706
REVENUES			
Other revenue	18,130	-	100
Total revenues	<u>18,130</u>	<u>-</u>	<u>100</u>
Total funds available	<u>883,119</u>	<u>888,870</u>	<u>695,806</u>
EXPENDITURES			
General and administrative			
Accounting	37,810	50,000	52,000
Auditing	4,100	4,300	5,000
Directors' fees	1,400	1,900	2,000
Dues and Membership	1,238	1,238	1,400
Insurance	2,127	2,131	2,500
Legal	22,443	26,000	27,000
Legal - Special services	-	40,000	60,000
Miscellaneous	-	800	200
Payroll taxes	107	138	153
Election	-	5,579	-
Contingency	-	-	5,000
Community support	20,000	-	-
Operations and maintenance			
Unallocated priority expenses	-	-	42,747
Capital improvements	35,024	195,078	630,506
Total expenditures	<u>124,249</u>	<u>327,164</u>	<u>828,506</u>
OTHER FINANCING SOURCES (USES)			
Priority expenses	<u>130,000</u>	<u>134,000</u>	<u>138,000</u>
ENDING FUND BALANCES	<u>\$ 888,870</u>	<u>\$ 695,706</u>	<u>\$ 5,300</u>

See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

IGA WITH DISTRICT NO. 4

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ 10,715	\$ -
REVENUES			
Property taxes	2,645,867	2,643,793	2,515,913
Specific ownership taxes	198,193	201,530	188,693
Interest income	52,800	45,000	-
Total revenues	<u>2,896,860</u>	<u>2,890,323</u>	<u>2,704,606</u>
Total funds available	<u>2,896,860</u>	<u>2,901,038</u>	<u>2,704,606</u>
EXPENDITURES			
General and administrative			
Intergovernmental expense - District No. 4	2,716,162	2,727,381	2,528,867
County Treasurer's Fee	39,983	39,657	37,739
Total expenditures	<u>2,756,145</u>	<u>2,767,038</u>	<u>2,566,606</u>
OTHER FINANCING SOURCES (USES)			
Priority expenses	<u>(130,000)</u>	<u>(134,000)</u>	<u>(138,000)</u>
ENDING FUND BALANCES	<u>\$ 10,715</u>	<u>\$ -</u>	<u>\$ -</u>

See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Meadows Metropolitan District No. 1 (District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by the District, the Town may require that the District initiate dissolution procedures.

The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows project (Project).

Meadows Metropolitan District No. 4 (District No. 4) is the Master District, which is responsible for the construction of the entire Project improvements and the allocation to each of the related districts of its proportional share of the costs incurred. The District has entered into a Regional Facilities Cost Sharing Agreement whereby District No. 4 annually sets assessments to the other districts and receives the facilities development fees and other revenue of the Project (District No. 1 through No. 7) and collects property taxes and interest on behalf of District No. 2 through No. 7. The District collects its own property taxes.

The District provides for its own administrative and operating expenditures and is a participant in an intergovernmental agreement ("District Agreement") between Meadows Metropolitan District Nos. 1 through No. 7 (inclusive, "the Project"), in which District No. 4 acts as the "Master District" for the Project. The District Agreement provides for the sharing of the Project costs including administrative services and debt service among the individual Districts of the Project. Most services, primarily consisting of landscape maintenance, are provided under the District Agreement by the Master District. All other services under the District's powers are provided by the Town of Castle Rock under a separate intergovernmental agreement.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes 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.

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

**MEADOWS METROPOLITAN DISTRICT NO. 1
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 District is required to impose a maximum Required Mill Levy of 35.000 mills for collection in 2026. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

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.

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

Category	Rate		Category	Rate
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 7.5% of the property taxes collected.

Net Investment Income

Interest earned on the District’s available funds has been estimated based on prior year’s interest earnings.

**MEADOWS METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General and Administrative Expenditures

General and administrative expenditures are estimated based upon the prior years' experience.

Capital Improvements

The District anticipates entering into contracts in 2026 to improve the Project using accumulated capital improvement reserves. Capital improvements may include costs related to improving streets and irrigation facilities.

The District anticipates spending Conservation Trust Fund monies for the construction or purchase of recreational facilities.

Debt Service

On December 29, 1993, the Series 1989A, 1989B and 1989C, General Obligation Bonds were restructured. The restructured bonds are characterized as General Obligation Bonds with a "capped mill levy". Interest of 7.999% is payable to the bondholder quarterly on March 1, June 1, September 1 and December 1 of each year. Unpaid current interest becomes accrued interest. Accrued interest compounds annually on December 1 of each year. The Project's required payment on the bonds is limited to the proceeds generated from the limited mill levy and Project Revenue less priority expenses. Priority expenses of the project include the following: costs of revenue collection, operations and maintenance expenses in an amount not to exceed \$200,000 as adjusted for inflation, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$138,000 in 2026 as adjusted for inflation) is designated to be spent by the District for administration costs. The remainder (\$374,400 in 2026 as adjusted for inflation) is to be spent by the Master District for the Project.

The limited mill levy is to be levied (for collection in the year following the levy year) as follows:

<u>Collection Year</u>	<u>Mill Levy</u>
2003 and thereafter	35 mills

To the extent that District Nos. 1, 2, 3, 4, 5, 6, or 7 property tax revenue or other revenue exceed their allocated share of priority expenses, such excess is to be applied to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued by District Nos. 1, 2, and 7. Project Revenue, to the extent that it is not required to fund priority expenses and certain capital expenditures of the Project, is allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as excess revenue of the other Districts.

Interest on the Bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenue and cannot be predicted with certainty.

**MEADOWS METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

The Master District has been specified to coordinate debt service payments of the Project.

	Balance December 31, 2024	Additions	Payments	Balance December 31, 2025	Due Within One Year
General Obligation					
Bonds Series 1989A	\$ 30,730,000	\$ -	\$ -	\$ 30,730,000	\$ -
Accrued interest	167,976,024	15,800,893 (a)	6,340,011	177,436,906	-
Total	<u>\$198,706,024</u>	<u>\$ 15,800,893</u>	<u>\$ 6,340,011</u>	<u>\$208,166,906</u>	<u>\$ -</u>
	Balance December 31, 2025	Additions	Payments	Balance December 31, 2026	Due Within One Year
General Obligation					
Bonds Series 1989A	\$ 30,730,000	\$ -	\$ -	\$ 30,730,000	\$ -
Accrued interest	177,436,906	16,477,510 (b)	6,255,735	187,658,681	-
Total	<u>\$208,166,906</u>	<u>\$ 16,477,510</u>	<u>\$ 6,255,735</u>	<u>\$218,388,681</u>	<u>\$ -</u>

(a) Estimated for the year ending December 31, 2025

(b) Estimated for the year ending December 31, 2026

Leases

The District currently has no operating or capital leases nor does it anticipate any for fiscal year 2026.

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of fiscal year spending for 2026 as defined under TABOR.

This information is an integral part of the accompanying budget.