

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 2,143,659	\$ 2,507,347	\$ 1,419,075
REVENUES			
Property taxes	241,202	10	10
Specific ownership tax	24,193	1	1
Interest income	45,995	13,500	10,000
Reimbursed Expenditures	1,192	-	-
Intergovernmental Revenues - MV2	4,009,451	4,263,983	4,330,558
Building permit review fees	13,150	15,000	15,000
Total revenues	<u>4,335,183</u>	<u>4,292,494</u>	<u>4,355,569</u>
TRANSFERS IN			
Transfers from other funds	<u>309,000</u>	<u>250,000</u>	<u>275,000</u>
Total funds available	<u>6,787,842</u>	<u>7,049,841</u>	<u>6,049,644</u>
EXPENDITURES			
General Fund	453,442	574,875	676,703
DCC Fund	13,515	12,617	14,248
Debt Service Fund	3,185,134	4,485,774	3,000,000
Capital Projects Fund	319,404	307,500	370,000
Total expenditures	<u>3,971,495</u>	<u>5,380,766</u>	<u>4,060,951</u>
TRANSFERS OUT			
Transfers to other funds	<u>309,000</u>	<u>250,000</u>	<u>275,000</u>
Total expenditures and transfers out requiring appropriation	<u>4,280,495</u>	<u>5,630,766</u>	<u>4,335,951</u>
ENDING FUND BALANCES	<u>\$ 2,507,347</u>	<u>\$ 1,419,075</u>	<u>\$ 1,713,693</u>
EMERGENCY RESERVE	\$ 26,300	\$ 27,000	\$ 28,000
DEBT SERVICE RESERVE - 2007A	600,000	600,000	600,000
TOTAL RESERVE	<u>\$ 626,300</u>	<u>\$ 627,000</u>	<u>\$ 628,000</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION - Douglas (4445)</b>			
Residential	\$ 4,147,200	\$ -	\$ -
Commercial	155,160	-	-
State assessed	400	-	-
Vacant land	190	190	190
Certified Assessed Value	<u>\$ 4,302,950</u>	<u>\$ 190</u>	<u>\$ 190</u>
<b>MILL LEVY</b>			
General	11.055	11.055	11.132
Debt Service	45.000	41.000	40.000
Total mill levy	<u>56.055</u>	<u>52.055</u>	<u>51.132</u>
<b>PROPERTY TAXES</b>			
General	\$ 47,569	\$ 2	\$ 2
Debt Service	193,633	8	8
Levied property taxes	<u>241,202</u>	<u>10</u>	<u>10</u>
Budgeted property taxes	<u>\$ 241,202</u>	<u>\$ 10</u>	<u>\$ 10</u>
<b>ASSESSED VALUATION - Douglas (4602)</b>			
Residential	\$ -	\$ -	\$ 48,620
Vacant land	330	792,830	1,796,710
Certified Assessed Value	<u>\$ 330</u>	<u>\$ 792,830</u>	<u>\$ 1,845,330</u>
<b>MILL LEVY</b>			
Debt Service	0.000	0.000	0.000
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
<b>PROPERTY TAXES</b>			
Debt Service	\$ -	\$ -	\$ -
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 47,565	\$ 2	\$ 2
Debt Service	193,637	8	8
Total	<u>\$ 241,202</u>	<u>\$ 10</u>	<u>\$ 10</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 446,968	\$ 536,540	\$ 625,487
REVENUES			
Property taxes	47,565	2	2
Specific ownership tax	4,771	-	-
Intergovernmental revenues - MV2	789,770	907,820	940,847
Reimbursed expenditures	1,192	-	-
Interest income	8,716	6,000	5,000
Total revenues	<u>852,014</u>	<u>913,822</u>	<u>945,849</u>
Total funds available	<u>1,298,982</u>	<u>1,450,362</u>	<u>1,571,336</u>
EXPENDITURES			
General and administrative			
Accounting	54,774	45,000	45,000
Audit	10,500	10,950	11,000
Board support	5,200	5,800	6,500
County treasurer's fee	713	-	-
Communications	-	10,000	25,000
Dues and licenses	934	772	1,000
Insurance	6,551	7,176	8,000
Legal services	23,645	40,000	35,000
Miscellaneous	130	500	500
Payroll taxes	398	450	500
Tax reimbursement	45,847	-	-
Contingency	-	10,000	10,000
Operations and maintenance			
Contract services	55,544	51,700	85,000
Labor	203,297	257,000	271,000
Materials	13,979	32,000	73,000
Support management	31,930	33,527	35,203
Water purchases	-	70,000	70,000
Total expenditures	<u>453,442</u>	<u>574,875</u>	<u>676,703</u>
TRANSFERS OUT			
Transfers to other funds	<u>309,000</u>	<u>250,000</u>	<u>275,000</u>
Total expenditures and transfers out requiring appropriation	<u>762,442</u>	<u>824,875</u>	<u>951,703</u>
ENDING FUND BALANCE	<u>\$ 536,540</u>	<u>\$ 625,487</u>	<u>\$ 619,633</u>
EMERGENCY RESERVE	<u>\$ 26,300</u>	<u>\$ 27,000</u>	<u>\$ 28,000</u>
TOTAL RESERVE	<u>\$ 26,300</u>	<u>\$ 27,000</u>	<u>\$ 28,000</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1  
GENERAL FUND EXPENDITURE DETAILS  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>Contract services</b>			
Flowers/shrubs	\$ -	\$ 5,000	\$ 5,000
Irrigation	-	1,000	10,000
Miscellaneous landscaping	24,863	25,000	25,000
Sewer discharge permit	6,307	-	-
Stormwater maintenance	4,534	2,200	10,000
Tree - plant or replace	7,100	12,000	20,000
Tree pruning	10,073	2,000	10,000
Tree/weed spraying	2,667	4,500	5,000
Total Contract services	<u>\$ 55,544</u>	<u>\$ 51,700</u>	<u>\$ 85,000</u>
<b>Materials</b>			
Chemicals	\$ 3,983	\$ 2,000	\$ 5,000
Decorative lights	-	-	2,000
Flower replacements	4,043	5,000	6,000
Miscellaneous	861	3,000	7,000
Mulch and topsoil	1,905	10,000	25,000
Park supplies	-	-	10,000
Safety and security	105	-	-
Seed and sod	54	1,000	4,000
Snow chemicals	329	1,000	2,000
Trees	-	5,000	2,000
Water, sewer and irrigation	2,699	5,000	10,000
Total Materials	<u>\$ 13,979</u>	<u>\$ 32,000</u>	<u>\$ 73,000</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1**  
**DCC Fund**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 1,900	\$ 10,535	\$ 12,918
REVENUES			
Building permit review fees	13,150	15,000	15,000
Total revenues	<u>13,150</u>	<u>15,000</u>	<u>15,000</u>
TRANSFERS IN			
Transfers from other funds	<u>9,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>24,050</u>	<u>25,535</u>	<u>27,918</u>
EXPENDITURES			
General and administrative			
Legal services	1,375	-	-
Miscellaneous	124	-	1,000
Operations and maintenance			
Support management	12,016	12,617	13,248
Total expenditures	<u>13,515</u>	<u>12,617</u>	<u>14,248</u>
Total expenditures and transfers out requiring appropriation	<u>13,515</u>	<u>12,617</u>	<u>14,248</u>
ENDING FUND BALANCE	<u>\$ 10,535</u>	<u>\$ 12,918</u>	<u>\$ 13,670</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 1,437,217	\$ 1,722,102	\$ 600,000
<b>REVENUES</b>			
Property taxes	193,637	8	8
Specific ownership tax	19,422	1	1
Intergovernmental revenues - MV2	3,219,681	3,356,163	3,389,711
Interest income	37,279	7,500	5,000
Total revenues	<u>3,470,019</u>	<u>3,363,672</u>	<u>3,394,720</u>
Total funds available	<u>4,907,236</u>	<u>5,085,774</u>	<u>3,994,720</u>
<b>EXPENDITURES</b>			
General and administrative			
County treasurer's fee	2,905	-	-
Paying agent fees	3,630	3,630	4,000
Tax reimbursement	186,624	-	-
Contingency	-	913	34,903
Debt Service			
Bond interest	2,491,975	2,451,231	2,401,097
Bond principal	500,000	530,000	560,000
Swap buy down	-	1,500,000	-
Total expenditures	<u>3,185,134</u>	<u>4,485,774</u>	<u>3,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,185,134</u>	<u>4,485,774</u>	<u>3,000,000</u>
ENDING FUND BALANCE	<u>\$ 1,722,102</u>	<u>\$ 600,000</u>	<u>\$ 994,720</u>
DEBT SERVICE RESERVE - 2007A	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>
TOTAL RESERVE	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1**  
**CAPITAL PROJECTS FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 257,574	\$ 238,170	\$ 180,670
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
Transfers from other funds	300,000	250,000	275,000
Total funds available	557,574	488,170	455,670
EXPENDITURES			
Capital Projects			
Drainage ditch improvements	2,840	5,000	100,000
Park improvements	316,564	125,000	100,000
Reservoir park	-	160,000	150,000
Sidewalk at lift station	-	17,500	-
Sidewalk repairs	-	-	20,000
Total expenditures	319,404	307,500	370,000
Total expenditures and transfers out requiring appropriation	319,404	307,500	370,000
ENDING FUND BALANCE	\$ 238,170	\$ 180,670	\$ 85,670

No assurance provided. See summary of significant assumptions.



**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Meridian Village Metropolitan District No. 1 is a quasi-municipal corporation and political subdivision of the State of Colorado organized by order of the Douglas County Court on November 20, 2004. The District's service area is located in Douglas County, Colorado. The District was organized to provide wastewater and water improvements, street and traffic safety improvements and park and recreational facilities.

The District was formed in conjunction with Meridian Village Metropolitan District Nos. 2, 3 and 4. District No. 1 will serve as the "Service District" with the responsibility of managing the construction and operation of facilities and improvements needed for the public improvements. District Nos. 2, 3 and 4 will serve as the "Financing Districts" with the responsibility of providing the funding and tax base needed to support the capital improvements and operations.

The District has no employees and contracts for all of its management and professional services.

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 sales 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 method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020 on April 10, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation.

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.

**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 8.00% of the property taxes collected by the District.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Intergovernmental Revenue**

The intergovernmental revenues are transfers from Meridian Village Metropolitan District No. 2 to provide funding for the overall administration, operating and debt costs of said districts.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on historical interest earnings.

**DCC Fees**

Fees that the District expects to receive for the review of architectural and design plans are displayed on the DCC Fund information page of the budget

**Expenditures**

**Administrative and Operating**

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

**Debt Service**

Principal and interest payments in 2021 are provided based on the debt amortization schedule from the Series 2007A as detailed on pages 6 and 11 of the Budget (discussed under Debt and Leases).

**Debt and Leases**

\$35,185,000 Refunding and Improvement Revenue Bonds, Series 2007A, dated November 14, 2007, with an interest rate subject to adjustment each Thursday and shall be equal to the SIFMA Index determined by the Trustee. Simultaneously, the District has entered into an Exchange Agreement with Royal Bank of Canada to fix the interest rate on the bonds at 5.73%. The bonds are subject to mandatory redemption beginning on December 1, 2017. In addition, the bonds are subject to optional redemption on any interest payment date on or after November 14, 2009, at a redemption price equal to 100% of the principal amount and unpaid interest to such redemption date.

A portion of the proceeds from the Series 2007A bonds have been used for operating expenses.

The District restructured the \$35,185,000 Refunding and Improvement Revenue Bonds, Series 2007A, dated November 14, 2007, on November 19, 2013, with an interest rate of 10.12%. The bonds are subject to mandatory redemption beginning on December 1, 2020.

On September 18, 2015, pursuant to the swap Novation Agreement, Royal Bank of Canada transferred the \$35,185,000 par amount of Series 2007A Bonds to U.S. Bank.

On September 4, 2018, the District restructured the Series 2007A Bonds. The restructure reduces the effective interest rate from 9.082% to 7.03% (effective September 4, 2018).

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1  
2021 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 equal to at least 3% of the fiscal year spending for 2021, as defined under TABOR.

**Debt Service Reserves**

The District maintains a Debt Service Reserve as required with the issuance of Series 2007A Bonds.

**Additional Information**

Per the Service Plan: The debt service mill levy is capped at 50 mills until the District's assessed valuation reaches a value equal to twice the aggregate amount of outstanding debt, in which case there is no mill levy cap. The operations mill levy is capped at 10 mills. However, both mill levies are subject to adjustments for Gallagher, so if the valuation calculation for residential property decreases from its current level of 7.15% of actual value the mill levy will be adjusted accordingly.

Per Meridian Villages Funding Agreement: Meridian Village No. 1 issues revenue bonds and Meridian Village No. 2 has agreed to levy taxes to the maximum rate of 40 mills, adjusted for Gallagher but never to exceed a hard cap of 50 mills, and pay the revenue over to District No. 1 for debt service. In a separate O&M Funding Agreement, District No. 2 agrees to levy taxes up to 10 mills, adjusted for Gallagher but never to exceed 50 mills. In addition, if District No. 2 has to levy more than 40 mills for payment of District No. 1's debt service, District No. 2's contractual obligation to go higher than 10 is reduced proportionately. Subject to the service plan mill levy caps described above, the two Districts may decide that the District No. 2 aggregate mill levy will exceed 50 mills. District No. 2 is just not required to exceed 50 mills.

The May 4, 2004 election authorized the District to issue up to \$400,000,000 in general obligation debt for public infrastructure and \$1,200,000 for debt refunding.

**This information is an integral part of the accompanying budget.**

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1  
SCHEDULE OF DEBT SERVICE  
REQUIREMENTS TO MATURITY**

**\$35,185,000 Refunding & Improvement Revenue Bonds  
Series 2007A**

**Original Date November 14, 2007  
Original Fixed Swap Rate 9.52%  
Restructure Date November 19, 2013  
Restructured Fixed Swap Rate 9.082%  
Restructure Date September 4, 2018  
Restructured Fixed Swap Rate 7.03%  
Principal Payable December 1**

<b>Year Ended December 31,</b>	<b>Interest Payable Monthly, Beginning December 3, 2007</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 560,000	\$ 2,401,097	\$ 2,961,097
2022	585,000	2,361,729	2,946,729
2023	610,000	2,320,603	2,930,603
2024	645,000	2,277,720	2,922,720
2025	680,000	2,232,377	2,912,377
2026	710,000	2,184,573	2,894,573
2027	745,000	2,134,660	2,879,660
2028	790,000	2,082,286	2,872,286
2029	840,000	2,026,749	2,866,749
2030	890,000	1,967,697	2,857,697
2031	970,000	1,905,130	2,875,130
2032	1,025,000	1,836,939	2,861,939
2033	1,075,000	1,764,882	2,839,882
2034	1,135,000	1,689,309	2,824,309
2035	1,200,000	1,609,519	2,809,519
2036	1,265,000	1,525,159	2,790,159
2037	1,325,000	1,436,229	2,761,229
2038	1,400,000	1,343,082	2,743,082
2039	1,475,000	1,244,662	2,719,662
2040	1,550,000	1,140,969	2,690,969
2041	1,650,000	1,032,004	2,682,004
2042	1,730,000	916,009	2,646,009
2043	1,825,000	794,390	2,619,390
2044	1,925,000	666,093	2,591,093
2045	2,025,000	530,765	2,555,765
2046	2,425,000	388,408	2,813,408
2047	3,100,000	217,930	3,317,930
	<b>\$ 34,155,000</b>	<b>\$ 42,030,970</b>	<b>\$ 76,185,970</b>

No assurance provided. See summary of significant assumptions.