

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/4/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES | \$ 2,287,257 | \$ 3,145,513 | \$ 4,790,474 |
| REVENUES | | | |
| Property taxes | 10 | 10 | 7 |
| Specific ownership taxes | 1 | 1 | 1 |
| Interest income | 44,444 | 90,000 | 125,000 |
| Building Permit Review Fees | 4,800 | 5,000 | 5,000 |
| Intergovernmental revenues | 4,788,361 | 4,839,496 | 4,919,060 |
| Other revenue | - | 16,667 | - |
| Total revenues | <u>4,837,616</u> | <u>4,951,174</u> | <u>5,049,068</u> |
| TRANSFERS IN | <u>335,000</u> | <u>355,520</u> | <u>361,013</u> |
| Total funds available | <u>7,459,873</u> | <u>8,452,207</u> | <u>10,200,555</u> |
| EXPENDITURES | | | |
| General Fund | 737,017 | 663,178 | 719,605 |
| Debt Service Fund | 3,009,042 | 2,368,171 | 6,767,559 |
| Capital Projects Fund | 218,728 | 260,000 | 500,000 |
| DCC Fund | 14,573 | 14,864 | 16,013 |
| Total expenditures | <u>3,979,360</u> | <u>3,306,213</u> | <u>8,003,177</u> |
| TRANSFERS OUT | <u>335,000</u> | <u>355,520</u> | <u>361,013</u> |
| Total expenditures and transfers out requiring appropriation | <u>4,314,360</u> | <u>3,661,733</u> | <u>8,364,190</u> |
| ENDING FUND BALANCES | <u>\$ 3,145,513</u> | <u>\$ 4,790,474</u> | <u>\$ 1,836,365</u> |
| EMERGENCY RESERVE | 31,800 | 33,000 | 34,000 |
| AVAILABLE FOR OPERATIONS | 890,275 | 973,649 | 1,049,176 |
| TOTAL RESERVE | <u>1,522,075</u> | <u>1,606,649</u> | <u>1,683,176</u> |

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/4/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|--------------------------------------|----------------|-------------------|----------------|
| ASSESSED VALUATION - 4445 | | | |
| Vacant land | 190 | 190 | 180 |
| Certified Assessed Value | \$ 190 | \$ 190 | \$ 180 |
| MILL LEVY | | | |
| General | 11.132 | 11.389 | 8.710 |
| Debt Service | 40.000 | 40.000 | 29.569 |
| PROPERTY TAXES | | | |
| General | 2 | 2 | 2 |
| Debt Service | 8 | 8 | 5 |
| Budgeted property taxes | \$ 10 | \$ 10 | \$ 7 |
| ASSESSED VALUATION - 4602 | | | |
| Residential | 2,326,660 | 3,349,910 | 4,330,870 |
| State assessed | 200 | 500 | 500 |
| Vacant land | 350,770 | 4,290 | 4,130 |
| Personal property | 56,710 | 53,500 | 56,800 |
| Certified Assessed Value | \$ 2,734,340 | \$ 3,408,200 | \$ 4,392,300 |
| MILL LEVY | | | |
| General | 0.000 | 0.000 | 0.000 |
| Debt Service | 0.000 | 0.000 | 0.000 |
| Total mill levy | 0.000 | 0.000 | 0.000 |
| PROPERTY TAXES | | | |
| General | - | - | - |
| Debt Service | - | - | - |
| Budgeted property taxes | \$ - | \$ - | \$ - |
| BUDGETED PROPERTY TAXES | | | |
| General | 2 | 2 | 2 |
| Debt Service | 8 | 8 | 5 |
| Budgeted property taxes | \$ 10 | \$ 10 | \$ 7 |

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/4/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|-------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES | \$ 936,881 | \$ 922,075 | \$ 1,006,649 |
| REVENUES | | | |
| Property taxes | 2 | 2 | 2 |
| Intergovernmental revenues | 1,040,825 | 1,073,270 | 1,117,143 |
| Interest income | 16,384 | 30,000 | 40,000 |
| Total revenues | <u>1,057,211</u> | <u>1,103,272</u> | <u>1,157,145</u> |
| Total funds available | <u>1,994,092</u> | <u>2,025,347</u> | <u>2,163,794</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | 49,336 | 55,000 | 58,000 |
| Auditing | 11,550 | 12,750 | 13,000 |
| Board Support | 4,800 | 5,600 | 6,000 |
| Bond issue costs | 225,000 | - | - |
| Communications | 187 | 500 | 500 |
| Contingency | - | 10,500 | 11,554 |
| Dues and membership | 1,776 | 1,785 | 2,200 |
| Election | 3,002 | 4,943 | - |
| Insurance | 7,016 | 22,089 | 24,000 |
| Irrigation | 64,825 | 50,000 | 80,000 |
| Legal | 31,875 | 40,000 | 42,000 |
| Miscellaneous | - | 1,000 | 1,000 |
| Payroll taxes | 367 | 428 | 459 |
| Operations and maintenance | | | |
| Contract Services | 23,388 | 58,049 | 73,000 |
| Labor | 236,376 | 294,684 | 314,000 |
| Materials | 38,796 | 66,353 | 54,000 |
| Support Management | 38,723 | 39,497 | 39,892 |
| Water Purchase/Lease | - | - | - |
| Total expenditures | <u>737,017</u> | <u>663,178</u> | <u>719,605</u> |
| TRANSFERS OUT | | | |
| Transfers to other funds | <u>335,000</u> | <u>355,520</u> | <u>361,013</u> |
| Total expenditures and transfers out requiring appropriation | <u>1,072,017</u> | <u>1,018,698</u> | <u>1,080,618</u> |
| ENDING FUND BALANCES | <u>\$ 922,075</u> | <u>\$ 1,006,649</u> | <u>\$ 1,083,176</u> |
| EMERGENCY RESERVE | 31,800 | 33,000 | 34,000 |
| AVAILABLE FOR OPERATIONS | 890,275 | 973,649 | 1,049,176 |
| TOTAL RESERVE | <u>\$ 922,075</u> | <u>\$ 1,006,649</u> | <u>\$ 1,083,176</u> |

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
SCHEDULE OF EXPENDITURE DETAILS
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/24

| ACTUAL | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2022 | 2023 | 2024 |

EXPENDITURES

Contract services

| | | | |
|---------------------------|-----------|-----------|-----------|
| Flowers/shrubs | \$ - | \$ 16,047 | \$ 8,000 |
| Irrigation | 845 | 1,910 | 4,000 |
| Miscellaneous landscaping | 2,529 | 5,564 | 5,000 |
| Electrical repairs | - | - | 4,000 |
| Snow and ice | - | - | - |
| Stormwater maintenance | 4,709 | 10,102 | 12,000 |
| Trash | - | - | 12,000 |
| Tree - plant or replace | 12,420 | 16,030 | 11,000 |
| Tree pruning | - | 5,000 | 10,000 |
| Tree/weed spraying | 2,885 | 3,396 | 7,000 |
| Total Contract services | \$ 23,388 | \$ 58,049 | \$ 73,000 |

Materials

| | | | |
|-----------------------------|-----------|-----------|-----------|
| Chemicals | \$ 2,986 | \$ 6,083 | \$ 6,000 |
| Decorative lights | 183 | 2,000 | 2,000 |
| Flower replacements | 7,603 | 6,886 | 7,000 |
| Miscellaneous | - | - | - |
| Mulch and topsoil | 2,384 | 16,058 | 10,000 |
| Park supplies | - | - | 4,000 |
| Seed and sod | - | 921 | 2,000 |
| Snow chemicals | - | 74 | - |
| Trees | - | 3,000 | 3,000 |
| Water, sewer and irrigation | 25,640 | 31,331 | 20,000 |
| Total Materials | \$ 38,796 | \$ 66,353 | \$ 54,000 |

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
DCC FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/4/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|-----------------------------|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 4,117 | \$ 4,344 | \$ - |
| REVENUES | | | |
| Building Permit Review Fees | 4,800 | 5,000 | 5,000 |
| Total revenues | 4,800 | 5,000 | 5,000 |
| TRANSFERS IN | | | |
| Transfers from other funds | 10,000 | 5,520 | 11,013 |
| Total funds available | 18,917 | 14,864 | 16,013 |
| EXPENDITURES | | | |
| General and administrative | | | |
| Miscellaneous | - | - | 1,000 |
| Operations and maintenance | | | |
| Support Management | 14,573 | 14,864 | 15,013 |
| Total expenditures | 14,573 | 14,864 | 16,013 |
| requiring appropriation | 14,573 | 14,864 | 16,013 |
| ENDING FUND BALANCES | \$ 4,344 | \$ - | \$ - |

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/4/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|---------------------|---------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 1,256,009 | \$ 2,022,572 | \$ 3,480,636 |
| REVENUES | | | |
| Property taxes | 8 | 8 | 5 |
| Specific ownership taxes | 1 | 1 | 1 |
| Intergovernmental revenues | 3,747,536 | 3,766,226 | 3,801,917 |
| Interest income | 28,060 | 60,000 | 85,000 |
| Total revenues | <u>3,775,605</u> | <u>3,826,235</u> | <u>3,886,923</u> |
| Total funds available | <u>5,031,614</u> | <u>5,848,807</u> | <u>7,367,559</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Contingency | - | - | 154,208 |
| Paying Agent Fees | 5,130 | 6,000 | 6,000 |
| Debt Service | | | |
| Bond interest | 2,418,912 | 1,752,171 | 1,775,034 |
| Bond principal | 585,000 | 610,000 | 645,000 |
| Bond paydown | - | - | 4,187,317 |
| Total expenditures | <u>3,009,042</u> | <u>2,368,171</u> | <u>6,767,559</u> |
| Total expenditures and transfers out requiring appropriation | <u>3,009,042</u> | <u>2,368,171</u> | <u>6,767,559</u> |
| ENDING FUND BALANCES | <u>\$ 2,022,572</u> | <u>\$ 3,480,636</u> | <u>\$ 600,000</u> |
| DEBT SERVICE RESERVE - 2007A | 600,000 | 600,000 | 600,000 |
| 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
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/4/24

| | ACTUAL 2022 | ESTIMATED 2023 | BUDGET 2024 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 90,250 | \$ 196,522 | \$ 303,189 |
| REVENUES | | | |
| Other revenue | - | 16,667 | - |
| Total revenues | - | 16,667 | - |
| TRANSFERS IN | | | |
| Transfers from other funds | 325,000 | 350,000 | 350,000 |
| Total funds available | 415,250 | 563,189 | 653,189 |
| EXPENDITURES | | | |
| Capital Projects | | | |
| Drainage Ditch Improvements | 99,911 | 160,000 | - |
| Irrigation Upgrade | - | - | - |
| Park Improvements | 9,845 | 100,000 | 500,000 |
| Reservoir Park | 108,972 | - | - |
| Total expenditures | 218,728 | 260,000 | 500,000 |
| Total expenditures and transfers out requiring appropriation | 218,728 | 260,000 | 500,000 |
| ENDING FUND BALANCES | \$ 196,522 | \$ 303,189 | \$ 153,189 |

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Meridian Village Metropolitan District No. 1 ('the District') 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. The District 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.

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable

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 21B-001 among other things, adjusted the assessment rate and residential property actual value adjustment. For tax collection year 2024, the assessment rate for all residential property decreases to 6.70%. In addition, the residential property actual value adjustment increases from \$15,000 to \$55,000.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

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 9.00% of the property taxes collected by the District.

Intergovernmental Revenue

The intergovernmental revenues are transfers from Meridian Village Metropolitan District No. 2 ('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 based on current and future estimated 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 part 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 2024 are provided based on the debt amortization schedule from the Series 2007A as detailed on pages 7 and 10 of the Budget (discussed under Debt and Leases).

Debt and Leases

General Obligation Bonds, \$35,185,000 Refunding and Improvement Revenue Bonds, Series 2007A, dated November 14, 2007, amended November 19, 2013, September 1, 2015, September 1, 2018, December 1, 2020, and March 31, 2022, with an adjustable interest rate tied to the SOFR index plus a defined Applicable Spread. Simultaneously, the District entered into a Swap Agreement with the Royal Bank of Canada (RBC). The Swap Agreement was subsequently transferred to U.S. Bank, which also acts as Trustee for the bonds pursuant to an Indenture of Trust dated the date of the Bonds, supplemented as described below.

The Indenture of Trust has been supplemented six times by a First, Second, Third, Fourth, Fifth and Sixth Supplemental Indenture of Trust, effective March 31, 2022 (the Sixth Indenture). The Sixth Indenture amended the definition of the Applicable Spread to be +187 basis points applied to the SOFR Index. The reissued bonds mature on December 1, 2047.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) revenues pledged under an Intergovernmental Financing Agreement with District No. 2; 2) all net regularly scheduled payments received by the District under the Swap Agreement; 3) all System Development Fee Revenue; and 4) any proceeds of the bonds.

The District entered into an interest rate Swap Agreement to hedge against the risk of increases in their variable rate Series 2007 Bonds. This Swap Agreement achieves a synthetic average fixed rate of 5.73% over the life of the bonds, however, the District did not make any fixed rate payments to the swap provider until 2014. Therefore, the fixed rate payments beginning in 2014 were made at 9.52% of the outstanding bonds.

The Swap Agreement with U.S. Bank has been amended four times on September 6, 2018, December 1, 2020, December 21, 2020 and December 1, 2021 (the Fourth Amendment). Under the Fourth Amendment, the District pays U.S. Bank a fixed payment of 5.2485% up to April 1, 2022 and 5.4785% on and after April 1, 2022. The District also receives a variable payment based on 67.000% of SOFR commencing on June 1, 2022. The Fourth Amendment has a mandatory early termination date of March 31, 2032 that is notwithstanding the termination date of December 1, 2047.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3.00% of the fiscal year spending for 2024, as defined under TABOR.

Debt Service Reserves

The District maintains a minimum Debt Service Reserve of \$600,000 as required with the issuance of Series 2007A Bonds.

Additional Information

Per the Service Plan: The debt service mill levy is capped at 50.000 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 10.000 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 6.765% of actual value the mill levy will be adjusted accordingly.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Additional Information – (continued)

Per the Funding Agreement: The District issues revenue bonds and District No. 2 has agreed to levy taxes to the maximum rate of 50.000 mills, adjusted for Gallagher but never to exceed a hard cap of 50.000 mills, and pay the revenue over to the District for debt service. In a separate O&M Funding Agreement, District No. 2 agrees to levy taxes up to 10.000 mills, adjusted for Gallagher but never to exceed 50.000 mills. In addition, if District No. 2 has to levy more than 50.000 mills for payment of the District's debt service, District No. 2's contractual obligation to go higher than 10.000 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 50.000 mills. District No. 2 is just not required to exceed 50.000 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

Restructured Fixed Swap Rate 5.4785%

Original Date November 14, 2007

Restructure Date December 1, 2021

Principal Payable December 1

Interest Payable June 1 and December 1

| Year Ended December 31, | Principal | Interest | Total |
|------------------------------------|----------------------|----------------------|----------------------|
| 2024 | \$ 645,000 | \$ 1,775,034 | \$ 2,420,034 |
| 2025 | 680,000 | 1,739,698 | 2,419,698 |
| 2026 | 710,000 | 1,702,444 | 2,412,444 |
| 2027 | 745,000 | 1,663,547 | 2,408,547 |
| 2028 | 790,000 | 1,622,732 | 2,412,732 |
| 2029 | 840,000 | 1,579,452 | 2,419,452 |
| 2030 | 890,000 | 1,533,432 | 2,423,432 |
| 2031 | 970,000 | 1,484,674 | 2,454,674 |
| 2032 | 1,025,000 | 1,431,532 | 2,456,532 |
| 2033 | 1,075,000 | 1,375,377 | 2,450,377 |
| 2034 | 1,135,000 | 1,316,484 | 2,451,484 |
| 2035 | 1,200,000 | 1,254,303 | 2,454,303 |
| 2036 | 1,265,000 | 1,188,561 | 2,453,561 |
| 2037 | 1,325,000 | 1,119,258 | 2,444,258 |
| 2038 | 1,400,000 | 1,046,667 | 2,446,667 |
| 2039 | 1,475,000 | 969,968 | 2,444,968 |
| 2040 | 1,550,000 | 889,161 | 2,439,161 |
| 2041 | 1,650,000 | 804,244 | 2,454,244 |
| 2042 | 1,730,000 | 713,849 | 2,443,849 |
| 2043 | 1,825,000 | 619,071 | 2,444,071 |
| 2044 | 1,925,000 | 519,088 | 2,444,088 |
| 2045 | 2,025,000 | 413,627 | 2,438,627 |
| 2046 | 2,425,000 | 302,687 | 2,727,687 |
| 2047 | 3,100,000 | 169,834 | 3,269,834 |
| Total | \$ 32,400,000 | \$ 27,234,724 | \$ 59,634,724 |