

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/22

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|-----------------------------------------------------------------|------------------|-------------------|------------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 4,065,011 | 4,444,253 | 4,459,858 |
| Specific ownership tax | 392,022 | 386,198 | 401,388 |
| Interest income | 2,201 | 6,500 | 10,000 |
| Other revenue | - | - | 15,000 |
| Total revenues | <u>4,459,234</u> | <u>4,836,951</u> | <u>4,886,246</u> |
| Total funds available | <u>4,459,234</u> | <u>4,836,951</u> | <u>4,886,246</u> |
| EXPENDITURES | | | |
| General Fund | 970,776 | 1,053,139 | 1,084,865 |
| Debt Service Fund | 3,488,458 | 3,783,812 | 3,801,381 |
| Total expenditures | <u>4,459,234</u> | <u>4,836,951</u> | <u>4,886,246</u> |
| Total expenditures and transfers out requiring appropriation | <u>4,459,234</u> | <u>4,836,951</u> | <u>4,886,246</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/30/22

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|------------------------------------|----------------------------|----------------------------|----------------------------|
| ASSESSED VALUATION | | | |
| Residential - single family | \$ 74,914,390 | \$ 82,844,710 | \$ 82,953,440 |
| Agricultural | 1,050 | 900 | - |
| State assessed | 13,300 | 16,000 | 16,800 |
| Vacant land | 3,225,300 | 2,663,530 | 2,050,630 |
| Personal property | 1,346,130 | 1,392,610 | 1,765,290 |
| Other | 80 | 80 | 80 |
| Certified Assessed Value | <u>\$ 79,500,250</u> | <u>\$ 86,917,830</u> | <u>\$ 86,786,240</u> |
| MILL LEVY | | | |
| General | 11.132 | 11.132 | 11.389 |
| Debt Service | 40.000 | 40.000 | 40.000 |
| Total mill levy | <u>51.132</u> | <u>51.132</u> | <u>51.389</u> |
| PROPERTY TAXES | | | |
| General | \$ 884,997 | \$ 967,569 | \$ 988,408 |
| Debt Service | 3,180,010 | 3,476,713 | 3,471,450 |
| Levied property taxes | <u>4,065,007</u> | <u>4,444,282</u> | <u>4,459,858</u> |
| Adjustments to actual/rounding | 4 | - | - |
| Refunds and abatements/adjustments | - | (29) | - |
| Budgeted property taxes | <u>\$ 4,065,011</u> | <u>\$ 4,444,253</u> | <u>\$ 4,459,858</u> |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ 884,953 | \$ 967,563 | \$ 988,408 |
| Debt Service | 3,180,058 | 3,476,690 | 3,471,450 |
| | <u>\$ 4,065,011</u> | <u>\$ 4,444,253</u> | <u>\$ 4,459,858</u> |

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/22

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|-----------------------------------------------------------------|----------------|-------------------|------------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 884,953 | 967,563 | 988,408 |
| Specific ownership tax | 85,343 | 84,076 | 88,957 |
| Interest income | 480 | 1,500 | 2,500 |
| Other revenue | - | - | 5,000 |
| Total revenues | <u>970,776</u> | <u>1,053,139</u> | <u>1,084,865</u> |
| Total funds available | <u>970,776</u> | <u>1,053,139</u> | <u>1,084,865</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Board support | 1,800 | 1,700 | 2,000 |
| County Treasurer's fee | 13,281 | 14,514 | 14,826 |
| Payroll taxes | 138 | 150 | 150 |
| Transfers to Meridian Village No. 1 | 955,557 | 1,036,775 | 1,062,889 |
| Contingency | - | - | 5,000 |
| Total expenditures | <u>970,776</u> | <u>1,053,139</u> | <u>1,084,865</u> |
| Total expenditures and transfers out requiring appropriation | <u>970,776</u> | <u>1,053,139</u> | <u>1,084,865</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/30/22

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|-----------------------------------------------------------------|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 3,180,058 | 3,476,690 | 3,471,450 |
| Specific ownership tax | 306,679 | 302,122 | 312,431 |
| Interest income | 1,721 | 5,000 | 7,500 |
| Other revenue | - | - | 10,000 |
| Total revenues | 3,488,458 | 3,783,812 | 3,801,381 |
| Total funds available | 3,488,458 | 3,783,812 | 3,801,381 |
| EXPENDITURES | | | |
| Debt Service | | | |
| County Treasurer's fee | 47,724 | 52,151 | 52,072 |
| Contingency | - | - | 10,000 |
| Transfers to Meridian Village No. 1 | 3,440,734 | 3,731,661 | 3,739,309 |
| Total expenditures | 3,488,458 | 3,783,812 | 3,801,381 |
| Total expenditures and transfers out requiring appropriation | 3,488,458 | 3,783,812 | 3,801,381 |
| ENDING FUND BALANCE | \$ - | \$ - | \$ - |

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Meridian Village Metropolitan District No. 2 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 storm sewer improvements, street improvements, park and recreational facilities and safety protection services.

The District was formed in conjunction with Meridian Village Metropolitan District Nos. 1, 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 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.

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 26.40% from 29.00%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29.00%.

The calculation of the taxes levied is displayed on the Property Tax Summary Information 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 9.00% of the property taxes collected by the District.

Net Investment Income

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

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating

The District has entered into an Intergovernmental Financing Agreement with Meridian Village Metropolitan District No.1 where District No.1 will operate and maintain the District in exchange for the Districts net legally available revenue.

Debt Service

The District has entered into an Intergovernmental Financing Agreement with Meridian Village Metropolitan District No.1 where District No.1 will finance the Districts improvements in exchange for the Districts net legally available revenue.

Debt and Leases

The District has no debt and no operating or capital leases.

Reserves

Emergency Reserves

District No. 1 has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending for District Nos. 2, 3, and 4 for 2023, as defined under TABOR.

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 6.95% of actual value the mill levy will be adjusted accordingly.

Per the Funding Agreement: Meridian Village Metropolitan District No. 1 issues revenue bonds and Meridian Village Metropolitan District No. 2 has agreed to levy taxes to the maximum rate of 40.000 mills, adjusted for Gallagher but never to exceed a hard cap of 50.000 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 10.000 mills, adjusted for Gallagher but never to exceed 50.000 mills. In addition, if District No. 2 has to levy more than 40.000 mills for payment of District No. 1'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.