

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 3,145,513	\$ 4,157,837	\$ 5,066,298
REVENUES			
Property taxes	10	7	7
Specific ownership taxes	1	1	1
Interest income	181,564	273,637	190,000
Building Permit Review Fees	-	-	-
Intergovernmental revenues	4,871,533	4,910,421	5,017,368
Other revenue	16,667	-	-
Total revenues	<u>5,069,775</u>	<u>5,184,066</u>	<u>5,207,376</u>
TRANSFERS IN	<u>360,512</u>	<u>365,013</u>	<u>391,668</u>
Total funds available	<u>8,575,800</u>	<u>9,706,916</u>	<u>10,665,342</u>
EXPENDITURES			
General Fund	720,064	714,912	800,046
Debt Service Fund	3,052,331	3,033,906	3,340,208
Capital Projects Fund	270,200	511,774	500,000
DCC Fund	14,856	15,013	16,668
Total expenditures	<u>4,057,451</u>	<u>4,275,605</u>	<u>4,656,922</u>
TRANSFERS OUT	<u>360,512</u>	<u>365,013</u>	<u>391,668</u>
Total expenditures and transfers out requiring appropriation	<u>4,417,963</u>	<u>4,640,618</u>	<u>5,048,590</u>
ENDING FUND BALANCES	<u>\$ 4,157,837</u>	<u>\$ 5,066,298</u>	<u>\$ 5,616,752</u>
EMERGENCY RESERVE	31,800	35,000	37,000
AVAILABLE FOR OPERATIONS	936,473	1,056,200	1,126,833
TOTAL RESERVE	<u>1,568,273</u>	<u>1,691,200</u>	<u>1,763,833</u>

No assurance provided. See summary of significant assumptions.

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/16/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION - 4445			
Vacant land	190	180	180
Certified Assessed Value	<u>\$ 190</u>	<u>\$ 180</u>	<u>\$ 180</u>
MILL LEVY			
General	11.389	8.710	8.709
Debt Service	40.000	29.569	29.568
Total mill levy	<u>51.389</u>	<u>38.279</u>	<u>38.277</u>
PROPERTY TAXES			
General	2	2	2
Debt Service	8	5	5
Budgeted property taxes	<u>\$ 10</u>	<u>\$ 7</u>	<u>\$ 7</u>
ASSESSED VALUATION - 4602			
Residential	3,349,910	4,330,870	4,330,870
State assessed	500	500	600
Vacant land	4,290	4,130	4,130
Personal property	53,500	56,800	66,900
Certified Assessed Value	<u>\$ 3,408,200</u>	<u>\$ 4,392,300</u>	<u>\$ 4,402,500</u>
MILL LEVY			
General	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000
Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
PROPERTY TAXES			
General	-	-	-
Debt Service	-	-	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED PROPERTY TAXES			
General	2	2	2
Debt Service	8	5	5
Budgeted property taxes	<u>\$ 10</u>	<u>\$ 7</u>	<u>\$ 7</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 922,075	\$ 968,273	\$ 1,091,200
REVENUES			
Property taxes	2	2	2
Intergovernmental revenues	1,077,018	1,147,789	1,224,345
Interest income	49,754	55,061	40,000
Total revenues	<u>1,126,774</u>	<u>1,202,852</u>	<u>1,264,347</u>
Total funds available	<u>2,048,849</u>	<u>2,171,125</u>	<u>2,355,547</u>
EXPENDITURES			
General and administrative			
Accounting	54,115	54,528	59,500
Auditing	12,750	13,150	14,500
Board Support	5,400	5,000	6,000
Communications	-	183	-
Contingency	-	-	23,000
Dues and membership	2,595	2,039	2,200
Election	4,981	-	5,000
Insurance	24,438	28,919	30,000
Irrigation	113,999	112,440	112,000
Legal	37,170	41,037	45,600
Miscellaneous	691	-	-
Payroll taxes	413	383	459
Utilities	459	1,384	1,500
Operations and maintenance			
Contract Services	59,471	61,104	83,600
Labor	304,224	315,084	327,000
Materials	59,866	39,773	49,400
Support Management	39,492	39,888	40,287
Total expenditures	<u>720,064</u>	<u>714,912</u>	<u>800,046</u>
TRANSFERS OUT			
Transfers to other funds	<u>360,512</u>	<u>365,013</u>	<u>391,668</u>
Total expenditures and transfers out requiring appropriation	<u>1,080,576</u>	<u>1,079,925</u>	<u>1,191,714</u>
ENDING FUND BALANCES	<u>\$ 968,273</u>	<u>\$ 1,091,200</u>	<u>\$ 1,163,833</u>
EMERGENCY RESERVE	31,800	35,000	37,000
AVAILABLE FOR OPERATIONS	<u>936,473</u>	<u>1,056,200</u>	<u>1,126,833</u>
TOTAL RESERVE	<u>\$ 968,273</u>	<u>\$ 1,091,200</u>	<u>\$ 1,163,833</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
SCHEDULE OF EXPENDITURE DETAILS
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/25

ACTUAL	ESTIMATED	BUDGET
2023	2024	2025

EXPENDITURES

Contract services

Electrical repairs	\$ -	\$ 1,000	\$ 1,000
Flowers/shrubs	15,857	-	-
General repair	-	-	3,000
Irrigation	910	1,395	3,000
Landscape enhancements	-	6,689	7,000
Miscellaneous landscaping	5,479	-	-
Sidewalk repair	-	-	5,000
Stormwater maintenance	6,009	12,153	13,000
Trash	-	4,293	4,800
Trees - new/replacement	20,069	17,743	15,000
Trees - pruning	7,762	8,746	22,500
Trees - spray	3,385	9,085	9,300
Total Contract services	\$ 59,471	\$ 61,104	\$ 83,600

Materials

Chemicals	\$ 4,083	\$ 7,549	\$ 8,500
Decorative lights	1,876	2,000	2,000
Flower replacements	4,886	6,805	8,500
Mulch and topsoil	14,058	6,027	12,000
Park supplies	-	2,039	2,000
Seed and sod	921	1,000	1,000
Snow chemicals	241	312	400
Trees	-	6,500	1,000
Water, sewer and irrigation	33,801	7,541	14,000
Total Materials	\$ 59,866	\$ 39,773	\$ 49,400

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
DCC FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/16/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 4,344	\$ -	\$ -
REVENUES			
Building Permit Review Fees	-	-	-
Total revenues	-	-	-
TRANSFERS IN			
Transfers from other funds	10,512	15,013	16,668
Total funds available	14,856	15,013	16,668
EXPENDITURES			
General and administrative			
Miscellaneous	-	-	1,500
Operations and maintenance			
Support Management	14,856	15,013	15,168
Total expenditures	14,856	15,013	16,668
requiring appropriation	14,856	15,013	16,668
ENDING FUND BALANCES	\$ -	\$ -	\$ -

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/16/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 2,022,572	\$ 2,896,575	\$ 3,843,883
REVENUES			
Property taxes	8	5	5
Specific ownership taxes	1	1	1
Intergovernmental revenues	3,794,515	3,762,632	3,793,023
Interest income	131,810	218,576	150,000
Total revenues	<u>3,926,334</u>	<u>3,981,214</u>	<u>3,943,029</u>
Total funds available	<u>5,948,906</u>	<u>6,877,789</u>	<u>7,786,912</u>
EXPENDITURES			
General and administrative			
Contingency	-	-	154,208
Paying Agent Fees	7,986	8,000	6,000
Debt Service			
Bond interest	2,434,345	2,380,906	2,500,000
Bond principal	610,000	645,000	680,000
Bond paydown	-	-	-
Total expenditures	<u>3,052,331</u>	<u>3,033,906</u>	<u>3,340,208</u>
Total expenditures and transfers out requiring appropriation	<u>3,052,331</u>	<u>3,033,906</u>	<u>3,340,208</u>
ENDING FUND BALANCES	<u>\$ 2,896,575</u>	<u>\$ 3,843,883</u>	<u>\$ 4,446,704</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
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 196,522	\$ 292,989	\$ 131,215
REVENUES			
Other revenue	16,667	-	-
Total revenues	<u>16,667</u>	<u>-</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>350,000</u>	<u>350,000</u>	<u>375,000</u>
Total funds available	<u>563,189</u>	<u>642,989</u>	<u>506,215</u>
EXPENDITURES			
Capital Projects			
Drainage Ditch Improvements	157,500	-	-
Irrigation Upgrade	-	59,006	-
Park Improvements	112,700	392,768	-
South Entrance Improvements	-	60,000	500,000
Total expenditures	<u>270,200</u>	<u>511,774</u>	<u>500,000</u>
Total expenditures and transfers out requiring appropriation	<u>270,200</u>	<u>511,774</u>	<u>500,000</u>
ENDING FUND BALANCES	<u>\$ 292,989</u>	<u>\$ 131,215</u>	<u>\$ 6,215</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2025 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.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes (continued)

For property tax collection year 2025, SB22-238, SB23B-001, SB24-233 and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			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 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.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Debt Service

Principal and interest payments in 2025 are provided based on the debt amortization schedule from the Series 2007A as detailed on the Debt Service Fund 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.

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.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves – (continued)

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 6.70% of actual value the mill levy will be adjusted accordingly.

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.

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>\$ 31,755,000</u>	<u>\$ 25,459,690</u>	<u>\$ 57,214,690</u>