

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/31/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,537,774	\$ 2,287,258	\$ 3,531,080
REVENUES			
Property taxes	10	10	10
Specific ownership tax	1	1	1
Interest income	672	16,000	23,000
Intergovernmental revenues - MV2	4,396,291	4,768,436	4,802,198
Building permit review fees	8,350	15,000	15,000
Total revenues	<u>4,405,324</u>	<u>4,799,447</u>	<u>4,840,209</u>
TRANSFERS IN			
Transfers from other funds	<u>275,000</u>	<u>325,000</u>	<u>350,000</u>
Total funds available	<u>6,218,098</u>	<u>7,411,705</u>	<u>8,721,289</u>
EXPENDITURES			
General Fund	556,229	892,699	788,997
DCC Fund	13,249	14,573	15,864
Debt Service Fund	2,896,655	2,373,353	2,450,000
Capital Projects Fund	189,707	275,000	410,000
Total expenditures	<u>3,655,840</u>	<u>3,555,625</u>	<u>3,664,861</u>
TRANSFERS OUT			
Transfers to other funds	<u>275,000</u>	<u>325,000</u>	<u>350,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,930,840</u>	<u>3,880,625</u>	<u>4,014,861</u>
ENDING FUND BALANCES	<u>\$ 2,287,258</u>	<u>\$ 3,531,080</u>	<u>\$ 4,706,428</u>
EMERGENCY RESERVE	\$ 29,600	\$ 31,000	\$ 32,000
DEBT SERVICE RESERVE - 2007A	600,000	600,000	600,000
TOTAL RESERVE	<u>\$ 629,600</u>	<u>\$ 631,000</u>	<u>\$ 632,000</u>

No assurance provided. See summary of significant assumptions.

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/31/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION - Douglas (4445)			
Vacant land	\$ 190	\$ 190	\$ 190
Certified Assessed Value	<u>\$ 190</u>	<u>\$ 190</u>	<u>\$ 190</u>
MILL LEVY			
General	11.055	11.132	11.389
Debt Service	41.000	40.000	40.000
Total mill levy	<u>52.055</u>	<u>51.132</u>	<u>51.389</u>
PROPERTY TAXES			
General	\$ 2	\$ 2	\$ 2
Debt Service	8	8	8
Budgeted property taxes	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>
ASSESSED VALUATION - Douglas (4602)			
Residential - single family	\$ 48,620	\$ 2,326,660	\$ 3,349,910
State assessed	-	200	500
Vacant land	1,796,710	350,770	4,290
Personal property	-	56,710	53,500
Certified Assessed Value	<u>\$ 1,845,330</u>	<u>\$ 2,734,340</u>	<u>\$ 3,408,200</u>
MILL LEVY			
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			
Debt Service	\$ -	\$ -	\$ -
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED PROPERTY TAXES			
General	\$ 2	\$ 2	\$ 2
Debt Service	8	8	8
Budgeted property taxes	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/31/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 812,091	\$ 936,880	\$ 767,958
REVENUES			
Property taxes	2	2	2
Intergovernmental revenues - MV2	955,557	1,036,775	1,062,889
Interest income	459	12,000	15,000
Total revenues	956,018	1,048,777	1,077,891
Total funds available	1,768,109	1,985,657	1,845,849
EXPENDITURES			
General and administrative			
Accounting	44,727	50,000	55,000
Audit	10,950	11,550	12,500
Board support	5,200	4,900	6,000
Bond issue costs	-	225,000	-
Communications	-	500	500
Dues and licenses	2,168	1,777	2,000
Election	-	2,699	3,000
Insurance	7,000	7,016	8,000
Irrigation	92,843	100,000	105,000
Legal services	24,435	35,000	40,000
Miscellaneous	-	-	500
Payroll taxes	398	400	500
Contingency	-	10,134	10,500
Operations and maintenance			
Contract services	60,466	49,000	80,000
Labor	245,409	244,000	286,000
Materials	27,430	42,000	70,000
Support management	35,203	38,723	39,497
Water purchases	-	70,000	70,000
Total expenditures	556,229	892,699	788,997
TRANSFERS OUT			
Transfers to other funds	275,000	325,000	350,000
Total expenditures and transfers out requiring appropriation	831,229	1,217,699	1,138,997
ENDING FUND BALANCE	\$ 936,880	\$ 767,958	\$ 706,852
EMERGENCY RESERVE	\$ 29,600	\$ 31,000	\$ 32,000
TOTAL RESERVE	\$ 29,600	\$ 31,000	\$ 32,000

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND EXPENDITURE DETAILS
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/31/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
Contract services			
Flowers/shrubs	\$ -	\$ 5,000	\$ 7,000
Irrigation	6,340	1,000	13,000
Miscellaneous landscaping	24,527	5,000	5,000
Snow and ice	2,175	3,000	3,000
Stormwater maintenance	9,294	10,000	10,000
Tree - plant or replace	15,360	20,000	25,000
Tree pruning	-	-	10,000
Tree/weed spraying	2,770	5,000	7,000
Total Contract services	<u>\$ 60,466</u>	<u>\$ 49,000</u>	<u>\$ 80,000</u>
Materials			
Chemicals	\$ 2,191	\$ 4,000	\$ 6,000
Decorative lights	-	2,000	2,000
Flower replacements	4,476	5,000	7,000
Miscellaneous	235	-	-
Mulch and topsoil	12,179	5,000	25,000
Seed and sod	-	-	3,000
Snow chemicals	15	-	-
Trees	576	2,000	7,000
Water, sewer and irrigation	7,758	24,000	20,000
Total Materials	<u>\$ 27,430</u>	<u>\$ 42,000</u>	<u>\$ 70,000</u>

No assurance provided. See summary of significant assumptions.

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
DCC Fund
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/31/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 9,018	\$ 4,119	\$ 4,546
REVENUES			
Building permit review fees	8,350	15,000	15,000
Total revenues	8,350	15,000	15,000
Total funds available	17,368	19,119	19,546
EXPENDITURES			
General and administrative			
Miscellaneous	-	-	1,000
Operations and maintenance			
Support management	13,249	14,573	14,864
Total expenditures	13,249	14,573	15,864
Total expenditures and transfers out requiring appropriation	13,249	14,573	15,864
ENDING FUND BALANCE	\$ 4,119	\$ 4,546	\$ 3,682

No assurance provided. See summary of significant assumptions.

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/31/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 711,708	\$ 1,256,009	\$ 2,618,326
REVENUES			
Property taxes	8	8	8
Specific ownership tax	1	1	1
Intergovernmental revenues - MV2	3,440,734	3,731,661	3,739,309
Interest income	213	4,000	8,000
Total revenues	<u>3,440,956</u>	<u>3,735,670</u>	<u>3,747,318</u>
Total funds available	<u>4,152,664</u>	<u>4,991,679</u>	<u>6,365,644</u>
EXPENDITURES			
General and administrative			
Paying agent fees	3,631	5,130	6,000
Contingency	-	-	81,829
Debt Service			
Bond interest	2,333,024	1,783,223	1,752,171
Bond principal	560,000	585,000	610,000
Total expenditures	<u>2,896,655</u>	<u>2,373,353</u>	<u>2,450,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,896,655</u>	<u>2,373,353</u>	<u>2,450,000</u>
ENDING FUND BALANCE	<u>\$ 1,256,009</u>	<u>\$ 2,618,326</u>	<u>\$ 3,915,644</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
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/31/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 4,957	\$ 90,250	\$ 140,250
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
Transfers from other funds	275,000	325,000	350,000
Total funds available	279,957	415,250	490,250
EXPENDITURES			
Capital Projects			
Dues and licenses	350	-	-
Drainage ditch improvements	43,699	105,000	160,000
Irrigation upgrade	-	-	50,000
Park improvements	13,740	50,000	200,000
Reservoir Park	128,973	120,000	-
Sidewalk repairs	2,945	-	-
Total expenditures	189,707	275,000	410,000
Total expenditures and transfers out requiring appropriation	189,707	275,000	410,000
ENDING FUND BALANCE	\$ 90,250	\$ 140,250	\$ 80,250

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2023 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.

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 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.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2023 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 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 2023 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 LIBOR 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 Meridian Village Metropolitan 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.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

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% 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 2023, 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 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 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 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**

Restructured Fixed Swap Rate 5.308%

Original Date November 14, 2007

Restructure Date November 19, 2013

Restructure Date September 1, 2015

Restructure Date September 1, 2018

Restructure Date December 1, 2020

Restructure Date March 31, 2022

Principal Payable December 1

Interest Payable June 1 and December 1

Year Ended December 31,	Principal	Interest	Total
2023	\$ 610,000	\$ 1,752,171	\$ 2,362,171
2024	645,000	1,719,792	2,364,792
2025	680,000	1,685,555	2,365,555
2026	710,000	1,649,461	2,359,461
2027	745,000	1,611,774	2,356,774
2028	790,000	1,572,230	2,362,230
2029	840,000	1,530,296	2,370,296
2030	890,000	1,485,709	2,375,709
2031	970,000	1,438,468	2,408,468
2032	1,025,000	1,386,980	2,411,980
2033	1,075,000	1,332,573	2,407,573
2034	1,135,000	1,275,512	2,410,512
2035	1,200,000	1,215,267	2,415,267
2036	1,265,000	1,151,571	2,416,571
2037	1,325,000	1,084,424	2,409,424
2038	1,400,000	1,014,093	2,414,093
2039	1,475,000	939,781	2,414,781
2040	1,550,000	861,488	2,411,488
2041	1,650,000	779,214	2,429,214
2042	1,730,000	691,632	2,421,632
2043	1,825,000	599,804	2,424,804
2044	1,925,000	502,933	2,427,933
2045	2,025,000	400,754	2,425,754
2046	2,425,000	293,267	2,718,267
2047	3,100,000	164,548	3,264,548
Total	\$ 33,010,000	\$ 28,139,297	\$ 61,149,297