

**SOUTH MERIDIAN METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023**

**SOUTH MERIDIAN METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 689,906	\$ 653,748	\$ 630,556
REVENUES			
Property taxes	460,135	478,948	497,954
Specific ownership tax	47,466	42,576	44,816
Interest income	604	5,200	9,000
Total revenues	<u>508,205</u>	<u>526,724</u>	<u>551,770</u>
Total funds available	<u>1,198,111</u>	<u>1,180,472</u>	<u>1,182,326</u>
EXPENDITURES			
General Fund	241,719	242,421	264,602
Debt Service Fund	302,644	307,495	312,797
Total expenditures	<u>544,363</u>	<u>549,916</u>	<u>577,398</u>
Total expenditures and transfers out requiring appropriation	<u>544,363</u>	<u>549,916</u>	<u>577,398</u>
ENDING FUND BALANCES	<u>\$ 653,748</u>	<u>\$ 630,556</u>	<u>\$ 604,927</u>
EMERGENCY RESERVE	<u>\$ 7,299</u>	<u>\$ 7,500</u>	<u>\$ 8,000</u>
TOTAL RESERVE	<u>\$ 7,299</u>	<u>\$ 7,500</u>	<u>\$ 8,000</u>

No assurance provided. See summary of significant assumptions.

**SOUTH MERIDIAN METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION - 4408			
Residential - multifamily	\$ 926,640	\$ 1,063,920	\$ 1,011,840
Commercial	13,398,040	12,982,910	13,004,120
State assessed	100	100	1,100
Vacant land	234,620	116,760	116,760
Personal property	2,060,660	1,705,450	2,007,680
Certified Assessed Value	<u>\$ 16,620,060</u>	<u>\$ 15,869,140</u>	<u>\$ 16,141,500</u>
MILL LEVY			
General	14.480	14.480	14.526
Debt Service	6.000	6.000	6.000
Refund and abatements	0.000	0.000	0.681
Total mill levy	<u>20.480</u>	<u>20.480</u>	<u>21.207</u>
PROPERTY TAXES			
General	\$ 240,658	\$ 229,785	\$ 234,471
Debt Service	99,720	95,215	96,849
Refund and abatements	-	-	10,992
Levied property taxes	<u>340,378</u>	<u>325,000</u>	<u>342,312</u>
Adjustments to actual/rounding	(18,429)	-	-
Refunds and abatements	(13,622)	(11,006)	-
Budgeted property taxes	<u>\$ 308,327</u>	<u>\$ 313,994</u>	<u>\$ 342,312</u>
ASSESSED VALUATION - DEBT(1) - 4410			
Residential - multifamily	\$ 18,223,650	\$ 19,542,560	\$ 8,323,200
Residential - single family	-	-	10,395,080
State assessed	1,900	2,800	4,400
Personal property	499,470	515,270	479,010
Certified Assessed Value	<u>\$ 18,725,020</u>	<u>\$ 20,060,630</u>	<u>\$ 19,201,690</u>
MILL LEVY			
Debt Service	6.000	6.000	6.000
Total mill levy	<u>6.000</u>	<u>6.000</u>	<u>6.000</u>
PROPERTY TAXES			
Debt Service	112,350	120,364	115,210
Levied property taxes	<u>112,350</u>	<u>120,364</u>	<u>115,210</u>
Budgeted property taxes	<u>\$ 112,350</u>	<u>\$ 120,364</u>	<u>\$ 115,210</u>
ASSESSED VALUATION - DEBT(2) - 4416			
Residential - multifamily	\$ 10,531,870	\$ 11,529,140	\$ 8,323,200
Residential - single family	-	-	2,606,040
Personal property	375,870	386,170	316,510
State assessed	1,400	2,000	2,800
Certified Assessed Value	<u>\$ 10,909,140</u>	<u>\$ 11,917,310</u>	<u>\$ 11,248,550</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>
ASSESSED VALUATION - DEBT(3) - 4531			
Residential - multifamily	\$ 6,148,640	\$ 6,993,770	\$ 6,357,660
State assessed	300	500	800
Personal property	427,320	437,470	380,240
Certified Assessed Value	<u>\$ 6,576,260</u>	<u>\$ 7,431,740</u>	<u>\$ 6,738,700</u>
MILL LEVY			
Debt Service	6.000	6.000	6.000
Total mill levy	<u>6.000</u>	<u>6.000</u>	<u>6.000</u>
PROPERTY TAXES			
Debt Service	39,458	44,590	40,432
Budgeted property taxes	<u>\$ 39,458</u>	<u>\$ 44,590</u>	<u>\$ 40,432</u>
BUDGETED PROPERTY TAXES			
General	\$ 217,997	\$ 222,004	\$ 242,250
Debt Service	242,138	256,944	255,704
Total	<u>\$ 460,135</u>	<u>\$ 478,948</u>	<u>\$ 497,954</u>

No assurance provided. See summary of significant assumptions.

**SOUTH MERIDIAN METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 7,675	\$ 7,299	\$ 7,550
REVENUES			
Property taxes	217,997	222,004	242,250
Specific ownership tax	23,209	19,968	21,803
Interest income	137	700	1,000
Total revenues	<u>241,343</u>	<u>242,672</u>	<u>265,053</u>
Total funds available	<u>249,018</u>	<u>249,971</u>	<u>272,602</u>
EXPENDITURES			
General and administrative			
Board support	5,200	4,600	6,000
County Treasurer's fee	3,272	3,447	3,634
Miscellaneous	1,069	-	500
Payroll taxes	398	350	450
Operations and maintenance			
Operating (MMD)	231,780	234,024	254,018
Total expenditures	<u>241,719</u>	<u>242,421</u>	<u>264,602</u>
Total expenditures and transfers out requiring appropriation	<u>241,719</u>	<u>242,421</u>	<u>264,602</u>
ENDING FUND BALANCE	<u>\$ 7,299</u>	<u>\$ 7,550</u>	<u>\$ 8,000</u>
EMERGENCY RESERVE	<u>\$ 7,299</u>	<u>\$ 7,500</u>	<u>\$ 8,000</u>
TOTAL RESERVE	<u>\$ 7,299</u>	<u>\$ 7,500</u>	<u>\$ 8,000</u>

No assurance provided. See summary of significant assumptions.

**SOUTH MERIDIAN METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 682,231	\$ 646,449	\$ 623,006
REVENUES			
Property taxes	242,138	256,944	255,704
Specific ownership tax	24,257	22,608	23,013
Interest income	467	4,500	8,000
Total revenues	<u>266,862</u>	<u>284,052</u>	<u>286,717</u>
Total funds available	<u>949,093</u>	<u>930,501</u>	<u>909,724</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,634	3,854	3,836
Miscellaneous	448	-	500
Paying agent fees	300	300	300
Debt Service			
Bond interest - Series 2016	108,262	103,341	98,161
Bond principal - Series 2016	190,000	200,000	210,000
Total expenditures	<u>302,644</u>	<u>307,495</u>	<u>312,797</u>
Total expenditures and transfers out requiring appropriation	<u>302,644</u>	<u>307,495</u>	<u>312,797</u>
ENDING FUND BALANCE	<u>\$ 646,449</u>	<u>\$ 623,006</u>	<u>\$ 596,927</u>

No assurance provided. See summary of significant assumptions.

**SOUTH MERIDIAN METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

South Meridian Metropolitan District (District) is a quasi-municipal corporation and political subdivision of the State of Colorado organized on November 12, 1999. The District's service area is located in Douglas County, Colorado. The District was organized to assist in the funding, integration and coordination of metropolitan district services and facilities within and without its boundaries, which consist of approximately 200 acres. The basic charge of the District is to pay off debt and fund operations per the Facilities Agreement. It will derive its revenue principally from general property taxes.

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 current interest yields.

**SOUTH MERIDIAN METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Operating and Administrative

The District entered into a Regional Facilities Agreement with Meridian Metropolitan District (Meridian). The agreement calls for Meridian to provide operation and maintenance services to the District for all facilities, as well as construction and administrative services for the District. In exchange the District will reimburse Meridian the net amount of operating revenue collected.

Debt Service

The debt service expenditures are for principal and interest payments related to the General Obligation Bonds Tax-Free Loan Issue, Series 2016.

Debt and Leases

\$4,980,000 General Obligation Refunding Bonds Series 2016, with an interest rate of 2.59% and a maturity date of June 30, 2036 were issued on July 18, 2016. The Bonds were issued by the District for the purpose of providing funds to refund the Series 2003B Bonds and the Series 2004 Bonds. The Bonds are subject to redemption at any date prior to December 1, 2026, at the option of the District, in whole or in part, at a redemption price equal to the par amount thereof, plus a Prepayment Fee, plus accrued interest at the redemption date.

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.

Additional Information

Per the Service Plan: There is no debt service mill levy cap if the debt is issued to the public or "private third parties," but is capped at 21 mills for debt issued to the "developer." There is no mill levy cap for operations and maintenance. The Series 2016 Loan was issued to a private third party. The District is authorized to issue up to \$15,000,000 of debt.

Per the Series 2016 Loan: The District is permitted an unlimited mill levy as provided by the Colorado Revised Statutes.

Taxing Authorities: Taxes collected in taxing authorities 4410, 4416 and 4531 are limited exclusively for debt service payments. The taxpayers in authority 4416 are also included in 4410. In order to avoid duplicate taxation, taxing authority 4416's mill levy is 0.000.

This information is an integral part of the accompanying budget.

**SOUTH MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$ 4,980,000 General Obligation Refunding

Tax-Free Bond Issue - Series 2016

Dated July 20, 2016

Interest Rate - 2.59%

Interest Payable

June 1 and December 1

Principal Payable December 1

Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2023	\$ 210,000	\$ 98,161	\$ 308,161
2024	220,000	92,722	312,722
2025	225,000	87,024	312,024
2026	235,000	81,197	316,197
2027	245,000	75,110	320,110
2028	255,000	68,765	323,765
2029	260,000	62,160	322,160
2030	275,000	55,426	330,426
2031	280,000	48,304	328,304
2032	295,000	41,052	336,052
2033	305,000	33,411	338,411
2034	320,000	25,512	345,512
2035	325,000	17,224	342,224
2036	340,000	8,806	348,806
	<u>\$ 3,790,000</u>	<u>\$ 794,871</u>	<u>\$ 4,584,871</u>