

**SOUTH MERIDIAN METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022**

**SOUTH MERIDIAN METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/21

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 716,269 | \$ 689,906 | \$ 664,475 |
| REVENUES | | | |
| Property taxes | 480,541 | 492,186 | 489,954 |
| Specific ownership tax | 42,153 | 48,618 | 39,197 |
| Interest income | 6,867 | 775 | 975 |
| Total revenues | <u>529,561</u> | <u>541,579</u> | <u>530,126</u> |
| Total funds available | <u>1,245,830</u> | <u>1,231,485</u> | <u>1,194,601</u> |
| EXPENDITURES | | | |
| General Fund | 253,868 | 264,230 | 248,843 |
| Debt Service Fund | 302,056 | 302,780 | 307,994 |
| Total expenditures | <u>555,924</u> | <u>567,010</u> | <u>556,837</u> |
| Total expenditures and transfers out requiring appropriation | <u>555,924</u> | <u>567,010</u> | <u>556,837</u> |
| ENDING FUND BALANCES | <u>\$ 689,906</u> | <u>\$ 664,475</u> | <u>\$ 637,764</u> |
| EMERGENCY RESERVE | <u>\$ 7,675</u> | <u>\$ 8,000</u> | <u>\$ 7,500</u> |
| TOTAL RESERVE | <u>\$ 7,675</u> | <u>\$ 8,000</u> | <u>\$ 7,500</u> |

No assurance provided. See summary of significant assumptions.

**SOUTH MERIDIAN METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/21

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|--|----------------------|----------------------|----------------------|
| ASSESSED VALUATION - 4408 | | | |
| Residential | \$ 926,640 | \$ 926,640 | 1,063,920 |
| Commercial | 13,450,390 | 13,398,040 | 12,982,910 |
| State assessed | 2,700 | 100 | 100 |
| Vacant land | 234,620 | 234,620 | 116,760 |
| Personal property | 1,917,200 | 2,060,660 | 1,705,450 |
| Certified Assessed Value | <u>\$ 16,531,550</u> | <u>\$ 16,620,060</u> | <u>\$ 15,869,140</u> |
| MILL LEVY | | | |
| General | 14.480 | 14.480 | 14.480 |
| Debt Service | 6.000 | 6.000 | 6.000 |
| Total mill levy | <u>20.480</u> | <u>20.480</u> | <u>20.480</u> |
| PROPERTY TAXES | | | |
| General | \$ 239,377 | \$ 240,658 | \$ 229,785 |
| Debt Service | 99,189 | 99,720 | 95,215 |
| Budgeted property taxes | <u>\$ 338,566</u> | <u>\$ 340,378</u> | <u>\$ 325,000</u> |
| ASSESSED VALUATION - DEBT(1) - 4410 | | | |
| Residential | \$ 18,223,650 | \$ 18,223,650 | \$ 19,542,560 |
| State assessed | 127,200 | 1,900 | 2,800 |
| Personal property | 43,020 | 499,470 | 515,270 |
| Certified Assessed Value | <u>\$ 18,393,870</u> | <u>\$ 18,725,020</u> | <u>\$ 20,060,630</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 | 110,363 | 112,350 | 120,364 |
| Budgeted property taxes | <u>\$ 110,363</u> | <u>\$ 112,350</u> | <u>\$ 120,364</u> |
| ASSESSED VALUATION - DEBT(2) - 4416 | | | |
| Residential | \$ 10,531,870 | \$ 10,531,870 | \$ 11,529,140 |
| Personal property | 43,020 | 375,870 | 386,170 |
| State assessed | 93,000 | 1,400 | 2,000 |
| Certified Assessed Value | <u>\$ 10,667,890</u> | <u>\$ 10,909,140</u> | <u>\$ 11,917,310</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 | \$ 6,225,860 | \$ 6,148,640 | \$ 6,993,770 |
| State assessed | 24,800 | 300 | 500 |
| Personal property | 376,810 | 427,320 | 437,470 |
| Certified Assessed Value | <u>\$ 6,627,470</u> | <u>\$ 6,576,260</u> | <u>\$ 7,431,740</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 | 39,765 | 39,458 | 44,590 |
| Budgeted property taxes | <u>\$ 39,765</u> | <u>\$ 39,458</u> | <u>\$ 44,590</u> |
| BUDGETED PROPERTY TAXES | | | |
| General | <u>\$ 233,940</u> | <u>\$ 240,658</u> | <u>\$ 229,785</u> |
| Debt Service | <u>246,601</u> | <u>251,528</u> | <u>260,169</u> |
| | <u>\$ 480,541</u> | <u>\$ 492,186</u> | <u>\$ 489,954</u> |

No assurance provided. See summary of significant assumptions.

**SOUTH MERIDIAN METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/21

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|-----------------|-------------------|-----------------|
| BEGINNING FUND BALANCE | \$ 5,700 | \$ 7,675 | \$ 8,000 |
| REVENUES | | | |
| Property taxes | 233,940 | 240,658 | 229,785 |
| Specific ownership tax | 20,648 | 23,772 | 18,383 |
| Interest income | 1,255 | 125 | 175 |
| Total revenues | <u>255,843</u> | <u>264,555</u> | <u>248,343</u> |
| Total funds available | <u>261,543</u> | <u>272,230</u> | <u>256,343</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Board support | 5,900 | 6,500 | 6,500 |
| County Treasurer's fee | 3,511 | 3,610 | 3,447 |
| Miscellaneous | - | 1,075 | 500 |
| Payroll taxes | 451 | 500 | 500 |
| Operations and maintenance | | | |
| Operating (MMD) | 244,006 | 252,545 | 237,896 |
| Total expenditures | <u>253,868</u> | <u>264,230</u> | <u>248,843</u> |
| Total expenditures and transfers out requiring appropriation | <u>253,868</u> | <u>264,230</u> | <u>248,843</u> |
| ENDING FUND BALANCE | <u>\$ 7,675</u> | <u>\$ 8,000</u> | <u>\$ 7,500</u> |
| EMERGENCY RESERVE | <u>\$ 7,675</u> | <u>\$ 8,000</u> | <u>\$ 7,500</u> |
| TOTAL RESERVE | <u>\$ 7,675</u> | <u>\$ 8,000</u> | <u>\$ 7,500</u> |

No assurance provided. See summary of significant assumptions.

**SOUTH MERIDIAN METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/21

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCE | \$ 710,569 | \$ 682,231 | \$ 656,475 |
| REVENUES | | | |
| Property taxes | 246,601 | 251,528 | 260,169 |
| Specific ownership tax | 21,505 | 24,846 | 20,814 |
| Interest income | 5,612 | 650 | 800 |
| Total revenues | <u>273,718</u> | <u>277,024</u> | <u>281,783</u> |
| Total funds available | <u>984,287</u> | <u>959,255</u> | <u>938,258</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 3,702 | 3,773 | 3,903 |
| Miscellaneous | - | 445 | 450 |
| Paying agent fees | 300 | 300 | 300 |
| Debt Service | | | |
| Bond interest - Series 2016 | 113,054 | 108,262 | 103,341 |
| Bond principal - Series 2016 | 185,000 | 190,000 | 200,000 |
| Total expenditures | <u>302,056</u> | <u>302,780</u> | <u>307,994</u> |
| Total expenditures and transfers out requiring appropriation | <u>302,056</u> | <u>302,780</u> | <u>307,994</u> |
| ENDING FUND BALANCE | <u>\$ 682,231</u> | <u>\$ 656,475</u> | <u>\$ 630,264</u> |

No assurance provided. See summary of significant assumptions.

**SOUTH MERIDIAN METROPOLITAN DISTRICT
2022 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.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020 on April 17, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation.

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 8.00% 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
2022 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 2022, 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 Payable December 1 | | |
|--|-------------------------------------|-------------------|---------------------|
| December 31, | Principal | Interest | Total |
| 2022 | \$ 200,000 | \$ 103,341 | \$ 303,341 |
| 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>\$ 3,990,000</u> | <u>\$ 898,212</u> | <u>\$ 4,888,212</u> |

No assurance provided. See summary of significant assumptions.