

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ 5,105	\$ -
REVENUES			
Property taxes	3,682,120	3,957,724	4,065,007
Specific ownership tax	369,316	356,195	325,201
Interest income	20,736	7,000	4,000
Other revenue	-	15,000	15,000
Total revenues	<u>4,072,172</u>	<u>4,335,919</u>	<u>4,409,208</u>
Total funds available	<u>4,072,172</u>	<u>4,341,024</u>	<u>4,409,208</u>
EXPENDITURES			
General Fund	803,033	928,172	961,797
Debt Service Fund	3,264,034	3,412,852	3,447,411
Total expenditures	<u>4,067,067</u>	<u>4,341,024</u>	<u>4,409,208</u>
Total expenditures and transfers out requiring appropriation	<u>4,067,067</u>	<u>4,341,024</u>	<u>4,409,208</u>
ENDING FUND BALANCES	<u>\$ 5,105</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION			
Residential	\$ 58,653,570	\$ 70,584,400	\$ 74,914,390
Agricultural	990	1,170	1,050
State assessed	976,500	374,700	13,300
Vacant land	5,954,820	4,875,010	3,225,300
Personal property	101,600	82,000	1,346,130
Other	80	80	80
Certified Assessed Value	\$ 65,687,560	\$ 75,917,360	\$ 79,500,250
MILL LEVY			
General	11.055	11.132	11.132
Debt Service	45.000	41.000	40.000
Total mill levy	56.055	52.132	51.132
PROPERTY TAXES			
General	\$ 726,176	\$ 845,112	\$ 884,997
Debt Service	2,955,940	3,112,612	3,180,010
Levied property taxes	3,682,116	3,957,724	4,065,007
Refunds and abatements/Adjustments	4	-	-
Budgeted property taxes	\$ 3,682,120	\$ 3,957,724	\$ 4,065,007
BUDGETED PROPERTY TAXES			
General	\$ 726,114	\$ 845,112	\$ 884,997
Debt Service	2,956,006	3,112,612	3,180,010
	\$ 3,682,120	\$ 3,957,724	\$ 4,065,007

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	726,114	845,112	884,997
Specific ownership tax	72,829	76,060	70,800
Interest income	4,090	2,000	1,000
Other revenue	-	5,000	5,000
Total revenues	<u>803,033</u>	<u>928,172</u>	<u>961,797</u>
Total funds available	<u>803,033</u>	<u>928,172</u>	<u>961,797</u>
EXPENDITURES			
General and administrative			
Board support	2,200	2,500	2,500
County treasurer's fee	10,895	12,677	13,275
Payroll taxes	168	175	175
Transfers to Meridian Village No. 1	789,770	907,820	940,847
Contingency	-	5,000	5,000
Total expenditures	<u>803,033</u>	<u>928,172</u>	<u>961,797</u>
Total expenditures and transfers out requiring appropriation	<u>803,033</u>	<u>928,172</u>	<u>961,797</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
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ 5,105	\$ -
REVENUES			
Property taxes	2,956,006	3,112,612	3,180,010
Specific ownership tax	296,487	280,135	254,401
Interest income	16,646	5,000	3,000
Other revenue	-	10,000	10,000
Total revenues	3,269,139	3,407,747	3,447,411
Total funds available	3,269,139	3,412,852	3,447,411
EXPENDITURES			
Debt Service			
County treasurer's fee	44,353	46,689	47,700
Contingency	-	10,000	10,000
Transfers to Meridian Village No. 1	3,219,681	3,356,163	3,389,711
Total expenditures	3,264,034	3,412,852	3,447,411
Total expenditures and transfers out requiring appropriation	3,264,034	3,412,852	3,447,411
ENDING FUND BALANCE	\$ 5,105	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
2021 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 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.

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 10, 2019 with a report submitted to the State Board of Equalization. Accordingly, the maximum 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 historical interest earning.

**MERIDIAN VILLAGE METROPOLITAN DISTRICT NO. 2
2021 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% of fiscal year spending for District Nos. 2, 3, and 4 for 2021, as defined under TABOR.

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 7.15% of actual value the mill levy will be adjusted accordingly.

Per Meridian Villages Funding Agreement: Meridian Village No. 1 issues revenue bonds and Meridian Village No. 2 has agreed 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.