

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

SERVICES PROVIDED

Meridian Ranch Metropolitan District (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 5, 1998, concurrently with Meridian Service Metropolitan District (collectively, the “Districts”) to provide water and wastewater service, street improvements, safety protection, parks and recreation facilities, drainage, landscape, mosquito control, transportation and television relay for public and private purposes by any available means. The Districts also have limited fire protection powers in a cooperative manner with Falcon Fire Protection District. The District’s service area is located in El Paso County, Colorado. The Meridian Ranch Metropolitan District is intended to be the Financing District related to Meridian Service Metropolitan District, the Operating District.

In an election held on November 7, 2000, the District’s voters approved general obligation indebtedness of \$29,435,000 for street improvements, \$7,620,000 for parks and recreation, \$35,765,000 for water supply system, \$7,320,000 for sanitary sewer system, \$1,740,000 for safety protection, \$1,305,000 for mosquito control, \$1,055,000 for television relay and translation, \$260,000 for public transportation, \$85,000,000 for refinancing of District debt, and \$500,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$150,000 for general operations and maintenance. The service plan limits debt authorization to \$85,000,000.

The District prepares its budget on the modified accrual basis of accounting.

The District has no employees and all administrative functions are contractual.

REVENUE

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 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 District’s maximum Required Mill Levy is 50.000 mills, adjusted for changes in the ratio of actual value 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 an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. For collection year 2023, the District adopted a mill levy of 5.500 for operations and 25.998 for debt service. The District’s assessed valuation is \$103,231,360.

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.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of less than 1%.

Transfers from Meridian Service

The District receives facilities fees collected by Meridian Service Metropolitan District for the purposes of repaying bond principal and interest costs.

Conservation Trust Funds

The District receives revenue from the State Lottery on a per capita basis ratio. The revenue is restricted for recreation purposes under State statutes. This revenue is transferred to the Meridian Service Metropolitan District.

EXPENDITURES

Administrative and Operating

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as insurance, banking, meeting expense and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Intergovernmental Expenditure – Meridian Service

The District has entered into an IGA with Meridian Service Metropolitan District (Service) wherein Service will pay for the majority of the District's administrative and operating expenses. In exchange, the District will reimburse Service the net amount of operating revenues collected.

Capital Projects

All capital projects are contracted through Meridian Service.

Leases

There are no capital or operating leases.

RESERVES

Debt Service Reserve

The Debt Service Reserve Fund requirement is \$1,400,000.

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2023 as defined under TABOR.

**BUDGET RESOLUTION
(2023)**

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

At the regular meeting of the Board of Directors of the Meridian Ranch Metropolitan District, El Paso County, Colorado, held at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado, 80831 at 10:00 a.m., on December 7, 2022, there were present:

Milton “Butch” Gabrielski
Wayne Reorda
Mike Fenton
William Gessner
Robert Guevara

Also present were:

Jim Nikkel, General Manager, Meridian Service Metropolitan District
Ron Fano, Esq.

The General Manager reported that, prior to the meeting, each of the directors of the date, time and place of this meeting and the purpose for which it was called, and further reported that this is a regular meeting of the Board of Directors of the District and that a notice of the meeting was posted in accordance with statute.

Thereupon, Director Gessner introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MERIDIAN RANCH METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023 AND ENDING ON THE LAST DAY OF DECEMBER, 2023.

WHEREAS, the Board of Directors (the “Board”) of the Meridian Ranch Metropolitan District (the “District”) has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2022; and

WHEREAS, the proposed 2023 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on November 18, 2022 in the Transcript, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 10:00 am on December 7, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MERIDIAN RANCH METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023.

Section 3. 2023 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$567,772, and that the 2023 valuation for assessment, as certified by the El Paso County Assessor, is \$103,231,360. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 5.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2023.

Section 4. 2023 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$2,683,809 and that the 2023 valuation for assessment, as certified by the El Paso County Assessor, is \$103,231,360. That for the purposes of meeting all debt retirement expenses of the strict during the 2023 budget year, there is hereby levied a tax of 25.998 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2023.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the El Paso County Board of County Commissioners, no later than December 15, 2022, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

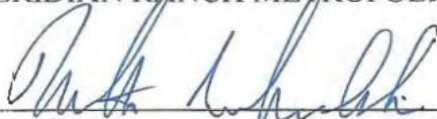
Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Reorda.

RESOLUTION APPROVED AND ADOPTED ON DECEMBER 7, 2022.

MERIDIAN RANCH METROPOLITAN DISTRICT

By:



President

ATTEST:



Secretary

STATE OF COLORADO
COUNTY OF EL PASO
MERIDIAN RANCH METROPOLITAN DISTRICT

I, Wayne Reorda, hereby certify that I am a director and the duly elected and qualified Secretary of Meridian Ranch Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 10:00 a.m. on December 7, 2022, at Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado, 80831 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 Budget as approved by the Board of Directors.

Subscribed and sworn to this 7th day of December, 2022.


Secretary

EXHIBIT A
2023 BUDGET DOCUMENT & BUDGET MESSAGE FOR
MERIDIAN RANCH METROPOLITAN DISTRICT

**MERIDIAN RANCH METROPOLITAN DISTRICT
GENERAL FUND
2023 ADOPTED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES			
Property taxes	\$ 432,179	\$ 538,466	\$ 567,772
Specific ownership taxes	50,755	53,000	48,854
Interest	-	10,000	5,000
Miscellaneous	-	1,195	-
Total revenues	482,934	602,661	621,626
EXPENDITURES			
Audit	10,854	10,906	13,000
Accounting and management	21,592	21,000	30,000
County treasurer fees	6,487	8,077	8,517
Director fees	7,900	12,000	12,000
Dues and memberships	598	1,500	1,500
Election	472	44,965	45,000
Insurance	4,702	5,000	5,000
Legal	142	5,000	5,000
Miscellaneous	1,213	7,000	1,000
Payroll taxes	604	918	918
IGA expense - MSMD General Fund	260,000	350,000	350,000
3% TABOR reserve	-	17,600	14,200
Total expenditures	314,564	483,966	486,135
EXCESS OF REVENUES OVER EXPENDITURES	168,370	118,695	135,491
OTHER FINANCING USES			
Transfer to other funds	(232)	-	-
Total other financing uses	(232)	-	-
NET CHANGE IN FUND BALANCE	168,138	118,695	135,491
BEGINNING FUND BALANCE	694,162	862,300	980,995
ENDING FUND BALANCE	\$ 862,300	\$ 980,995	\$ 1,116,486

**MERIDIAN RANCH METROPOLITAN DISTRICT
DEBT FUND
2023 ADOPTED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES			
Property taxes	\$ 1,728,555	\$ 2,153,669	\$ 2,683,809
Specific ownership taxes	203,022	185,510	230,926
Facilities fees transferred from MSMD	3,964,500	4,750,000	1,000,000
Interest	2,009	45,000	15,000
Total revenues	5,898,086	7,134,179	3,929,735
EXPENDITURES			
County treasurer fees	25,945	32,305	40,257
Bond interest (Subordinate)	350,000	349,028	-
Bond principal (Subordinate)	-	7,000,000	-
Loan interest (2013 \$33.5 M)	837,450	834,620	-
Loan principal (2013 \$33.5M)	990,000	25,210,000	-
Loan interest (2014 \$3.5 M)	95,617	95,402	-
Loan principal (2014 \$3.5M)	105,000	2,760,000	-
Loan interest (2018 \$24M)	851,170	869,756	-
Loan principal (2018 \$24M)	300,000	22,800,000	-
Gen Obligation Refunding 2022 - Principal	-	-	235,000
Gen Obligation Refunding 2022 - Interest	-	-	2,756,481
Paying agent fees	200	1,000	1,000
Transfer to Meridian Service MD	-	5,061,135	4,500,000
Miscellaneous	511	1,000	1,000
Total expenditures	3,555,893	65,014,246	7,533,738
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,342,193	(57,880,067)	(3,604,003)
OTHER FINANCING SOURCES			
Transfer from other funds	232	-	-
Bond proceeds	-	57,195,000	-
Cost of issuance	-	(435,574)	-
Total other financing sources	232	56,759,426	-
NET CHANGE IN FUND BALANCE	2,342,425	(1,120,641)	(3,604,003)
BEGINNING FUND BALANCE	5,242,711	7,585,136	6,464,495
ENDING FUND BALANCE	\$ 7,585,136	\$ 6,464,495	\$ 2,860,492

**MERIDIAN RANCH METROPOLITAN DISTRICT
 CONSERVATION TRUST FUND
 2023 ADOPTED BUDGET
 WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
 FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES			
Conservation trust entitlements	\$ 51,017	\$ 60,000	\$ 65,000
Total revenues	<u>51,017</u>	<u>60,000</u>	<u>65,000</u>
EXPENDITURES			
Transfer to Meridian Service MD	51,017	60,000	65,000
Total expenditures	<u>51,017</u>	<u>60,000</u>	<u>65,000</u>
NET CHANGE IN FUND BALANCE	-	-	-
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the MERIDIAN RANCH METROPOLITAN DISTRICT,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

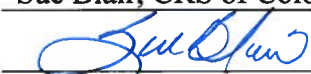
of the MERIDIAN RANCH METROPOLITAN DISTRICT
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 103,231,360 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ _____ (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/14/2022 for budget/fiscal year 2023.
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>5.500</u> mills	\$ <u>567,772</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	5.500 mills	\$ 567,772
3. General Obligation Bonds and Interest ^J	<u>25.998</u> mills	\$ <u>2,683,809</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	31.498 mills	\$ 3,251,581

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960
Signed:  Title: District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued
MERIDIAN RANCH METROPOLITAN DISTRICT

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: Refunding
- Series: 2022
- Date of Issue: December 14, 2022
- Coupon Rate: 5.000%
- Maturity Date: December 1, 2052
- Levy: 25.998
- Revenue: \$2,683,809

- 2. Purpose of Issue: _____
- Series: _____
- Date of Issue: _____
- Coupon Rate: _____
- Maturity Date: _____
- Levy: _____
- Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: _____
- Title: _____
- Date: _____
- Principal Amount: _____
- Maturity Date: _____
- Levy: _____
- Revenue: _____

- 4. Purpose of Contract: _____
- Title: _____
- Date: _____
- Principal Amount: _____
- Maturity Date: _____
- Levy: _____
- Revenue: _____

Use multiple copies of this page as necessary to report all bond and contractual obligations.