

MIRABELLE METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

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

1/27/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 1	\$ -	\$ 5,624,865
REVENUES			
Property taxes	1	1,246	258,299
Specific ownership tax	-	96	20,664
Interest income	-	87,034	15,000
Bond Premium	-	1,912,035	-
Bond proceeds	-	36,660,000	-
Intergovernmental revenues	-	7,426	-
Total revenues	<u>1</u>	<u>38,667,837</u>	<u>293,963</u>
TRANSFERS IN	<u>-</u>	<u>6,796,250</u>	<u>-</u>
Total funds available	<u>2</u>	<u>45,464,087</u>	<u>5,918,828</u>
EXPENDITURES			
General Fund	2	447	92,988
Debt Service Fund	-	1,224,706	1,473,333
Capital Projects Fund	-	31,817,819	-
Total expenditures	<u>2</u>	<u>33,042,972</u>	<u>1,566,321</u>
TRANSFERS OUT	<u>-</u>	<u>6,796,250</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2</u>	<u>39,839,222</u>	<u>1,566,321</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 5,624,865</u>	<u>\$ 4,352,507</u>
SURPLUS FUND	<u>\$ -</u>	<u>\$ 2,455,309</u>	<u>\$ 2,647,701</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 2,455,309</u>	<u>\$ 2,647,701</u>

No assurance provided. See summary of significant assumptions.

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

1/27/21

ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
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ASSESSED VALUATION

Residential	\$ -	\$ -	\$ 120,660
Agricultural	20	14,920	1,450
Vacant land	-	-	2,971,440
Certified Assessed Value	\$ 20	\$ 14,920	\$ 3,093,550

MILL LEVY

General	27.638	27.831	27.832
Debt Service	0.000	55.664	55.664
Total mill levy	27.638	83.495	83.496

PROPERTY TAXES

General	\$ 1	\$ 415	\$ 86,100
Debt Service	-	831	172,199
Budgeted property taxes	\$ 1	\$ 1,246	\$ 258,299

BUDGETED PROPERTY TAXES

General	\$ 1	\$ 415	\$ 86,100
Debt Service	-	831	172,199
	\$ 1	\$ 1,246	\$ 258,299

No assurance provided. See summary of significant assumptions.

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

1/27/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 1	\$ -	\$ -
REVENUES			
Property taxes	1	415	86,100
Specific ownership tax	-	32	6,888
Total revenues	<u>1</u>	<u>447</u>	<u>92,988</u>
Total funds available	<u>2</u>	<u>447</u>	<u>92,988</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	6	1,292
Intergovernmental expenditures	2	441	91,696
Total expenditures	<u>2</u>	<u>447</u>	<u>92,988</u>
Total expenditures and transfers out requiring appropriation	<u>2</u>	<u>447</u>	<u>92,988</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

1/27/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 5,624,865
REVENUES			
Property taxes	-	831	172,199
Specific ownership tax	-	64	13,776
Interest income	-	45,000	15,000
Intergovernmental revenues	-	7,426	-
Total revenues	<u>-</u>	<u>53,321</u>	<u>200,975</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>6,796,250</u>	<u>-</u>
Total funds available	<u>-</u>	<u>6,849,571</u>	<u>5,825,840</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	12	2,583
Debt Service			
Paying agent fees	-	-	6,000
Bond interest - Series 2020A	-	1,224,694	1,464,750
Total expenditures	<u>-</u>	<u>1,224,706</u>	<u>1,473,333</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>1,224,706</u>	<u>1,473,333</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 5,624,865</u>	<u>\$ 4,352,507</u>
SURPLUS FUND	<u>\$ -</u>	<u>\$ 2,455,309</u>	<u>\$ 2,647,701</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 2,455,309</u>	<u>\$ 2,647,701</u>

No assurance provided. See summary of significant assumptions.

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

1/27/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Interest income	-	42,034	-
Bond proceeds	-	36,660,000	-
Bond premium	-	1,912,035	-
Total revenues	-	38,614,069	-
Total funds available	-	38,614,069	-
EXPENDITURES			
Capital Projects			
Bond issue costs	-	1,087,043	-
Intergovernmental expenditures	-	30,730,776	-
Total expenditures	-	31,817,819	-
TRANSFERS OUT			
Transfers to other fund	-	6,796,250	-
Total expenditures and transfers out requiring appropriation	-	38,614,069	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**MIRABELLE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by the order and decree of the District Court for Douglas County on June 25, 1980, and is governed pursuant to provisions of the Colorado Special District Act (Title 32 Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County.

The District's election held on November 8, 2016 authorized debt of \$900,000,000 for street improvements, water, park and recreation, sanitation/sewer, mosquito control, security, transportation, safety protection, television relay and translation, and fire protection. Additionally, the District authorized the District's taxes be increased \$2,000,000 annually to pay the District's general and administrative costs.

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

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 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 8% of the property taxes collected.

**MIRABELLE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (Continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.25%.

Expenditures

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2020A Bonds (discussed under Debt and Leases).

County Treasurer's Fees

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

Intergovernmental Expenditures

Pursuant to an Intergovernmental Agreement with Mirabelle Metropolitan District No. 1, the intergovernmental expenditures represent transfers to Mirabelle Metropolitan District No. 1 to provide funding for the overall administrative and operating costs, as well as capital expenditures for the District.

Debt and Leases

The District issued the Senior Bonds and the Subordinate Bonds on January 30, 2020, in the respective amounts of \$29,295,000 and \$7,365,000. Proceeds from the sale of the Bonds were used to finance or reimburse a portion of the costs of acquiring, constructing, and/or installing certain public infrastructure to serve the development. A portion of the proceeds of the Senior Bonds were also used to fund: (a) an initial deposit to the Senior Surplus Fund; (b) capitalized interest on the Senior Bonds; and (c) the costs of issuing the Bonds.

The Senior Bonds were issued as two term bonds, each bearing interest at 5.000% per annum, and are payable semi-annually on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The term bonds mature on December 1, 2039 and on December 1, 2049 (final maturity).

MIRABELLE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases – (Continued)

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge of the Senior Bonds on December 1, 2059 (the “Senior Bonds Discharge Date”). To the extent interest on any Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date, at the rate then borne by the Senior Bond. The District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Senior Bonds. In the event any amounts due on the Senior Bonds remain unpaid after the application of all Senior Pledged Revenue available therefor on the Senior Bonds Discharge Date, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The Subordinate Bonds were issued as a term bond that bears interest at the rate of 7.375% per annum and is payable annually on December 15, beginning December 15, 2020, from, and to the extent of, Subordinate Pledged Revenue available, if any, and matures on December 15, 2049. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Subordinate Bonds. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged after the application of all available Subordinate Pledged Revenue on December 15, 2059 (the “Subordinate Bonds Discharge Date”), regardless of the amount of principal and interest paid prior to the Subordinate Bonds Discharge Date.

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, which includes:

- (a) all Senior Property Tax Revenues;
- (b) all Senior Specific Ownership Tax Revenues; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection, which includes:

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

**MIRABELLE METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

Surplus Fund Reserve

The District maintains a surplus fund reserve as required with the issuance of the Series 2020 Bonds.

This information is an integral part of the accompanying budget.

Mirabelle Metropolitan District No. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$29,295,000				
Limited Tax General Obligation Bonds				
Series 2020A				
Dated January 30, 2020				
Principal due December 1				
Interest rate 5.00% Payable				
June 1 and December 1				
Year Ended				
December 31,	Principal	Interest	Total	
2021	\$ -	\$ 1,464,750	\$	1,464,750
2022	-	1,464,750		1,464,750
2023	-	1,464,750		1,464,750
2024	-	1,464,750		1,464,750
2025	-	1,464,750		1,464,750
2026	70,000	1,464,750		1,534,750
2027	290,000	1,461,250		1,751,250
2028	460,000	1,446,750		1,906,750
2029	550,000	1,423,750		1,973,750
2030	615,000	1,396,250		2,011,250
2031	645,000	1,365,500		2,010,500
2032	720,000	1,333,250		2,053,250
2033	755,000	1,297,250		2,052,250
2034	835,000	1,259,500		2,094,500
2035	875,000	1,217,750		2,092,750
2036	960,000	1,174,000		2,134,000
2037	1,010,000	1,126,000		2,136,000
2038	1,100,000	1,075,500		2,175,500
2039	1,155,000	1,020,500		2,175,500
2040	1,260,000	962,750		2,222,750
2041	1,320,000	899,750		2,219,750
2042	1,430,000	833,750		2,263,750
2043	1,505,000	762,250		2,267,250
2044	1,625,000	687,000		2,312,000
2045	1,705,000	605,750		2,310,750
2046	1,835,000	520,500		2,355,500
2047	1,930,000	428,750		2,358,750
2048	2,070,000	332,250		2,402,250
2024	4,575,000	228,750		4,803,750
	\$ 29,295,000	\$ 31,647,250	\$	60,942,250

No assurance provided. See summary of significant assumptions.