

MIRABELLE METROPOLITAN DISTRICT NO. 2

FINANCIAL STATEMENTS

JUNE 30, 2023

Mirabelle Metropolitan District No. 2
Balance Sheet - Governmental Funds
June 30, 2023

	General	Debt Service	Total
Assets			
Colotrust	\$ -	\$ 44.53	\$ 44.53
UMB Bond Fund	-	289,747.10	289,747.10
UMB Surplus Fund	-	3,279,578.75	3,279,578.75
Due from Other Districts	-	66.98	66.98
Receivable from County Treasurer	86,866.62	173,733.23	260,599.85
Total Assets	\$ 86,866.62	\$ 3,743,170.59	\$ 3,830,037.21
Liabilities			
Accounts Payable	-	-	-
Due to Other Districts	86,866.62	-	86,866.62
Total Liabilities	86,866.62	-	86,866.62
Fund Balances	-	3,743,170.59	3,743,170.59
Liabilities and Fund Balances	\$ 86,866.62	\$ 3,743,170.59	\$ 3,830,037.21

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

Mirabelle Metropolitan District No. 2
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 441,923.00	\$ 437,472.86	\$ 4,450.14
Specific ownership taxes	39,773.00	20,485.43	19,287.57
Interest income	100.00	293.45	(193.45)
Other revenue	3,000.00	-	3,000.00
Total Revenue	<u>484,796.00</u>	<u>458,251.74</u>	<u>26,544.26</u>
Expenditures			
County Treasurer's fee	6,629.00	6,562.31	66.69
Intergovernmental expenditures	475,167.00	451,689.43	23,477.57
Contingency	3,000.00	-	3,000.00
Total Expenditures	<u>484,796.00</u>	<u>458,251.74</u>	<u>26,544.26</u>
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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SUPPLEMENTARY INFORMATION

Mirabelle Metropolitan District No. 2
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 883,846.00	\$ 874,945.74	\$ 8,900.26
Specific ownership taxes	79,546.00	40,970.86	38,575.14
Interest income	45,000.00	86,127.97	(41,127.97)
Intergovernmental revenues	9,520.00	9,133.84	386.16
Total Revenue	<u>1,017,912.00</u>	<u>1,011,178.41</u>	<u>6,733.59</u>
Expenditures			
County Treasurer's fee	13,258.00	13,124.64	133.36
Paying agent fees	7,000.00	7,000.00	-
Bond interest	1,464,750.00	732,375.00	732,375.00
Total Expenditures	<u>1,485,008.00</u>	<u>752,499.64</u>	<u>732,508.36</u>
Net Change in Fund Balances	(467,096.00)	258,678.77	(725,774.77)
Fund Balance - Beginning	3,444,277.00	3,484,491.82	(40,214.82)
Fund Balance - Ending	<u>\$ 2,977,181.00</u>	<u>\$ 3,743,170.59</u>	<u>\$ (765,989.59)</u>

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Mirabelle Metropolitan District No. 2
Statement of Cash Position
June 30, 2023
Updated as of July 20, 2023

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
<u>Colotrust</u>			
Balance at 6/30/2023	\$ -	\$ 44.53	\$ 44.53
Subsequent activities:			
7/11/2023 June PTAX	86,866.62	173,733.23	260,599.85
Anticipated activities:			
Transfer to UMB - 2020A Bond Fund	-	(173,844.74)	(173,844.74)
Transfer (to)/from MMD No. 1	(86,866.62)	66.98	(86,799.64)
Anticipated Balance	<u>-</u>	<u>-</u>	<u>-</u>
<u>UMB - 2020A Bond Fund</u>			
Balance at 6/30/2023	\$ -	\$ 289,747.10	\$ 289,747.10
Subsequent activities:			
Anticipated activities:			
Transfer from ColoTrust	-	173,844.74	173,844.74
Anticipated Balance	<u>-</u>	<u>463,591.84</u>	<u>463,591.84</u>
<u>UMB - 2020A Surplus Fund</u>			
Balance at 6/30/2023	\$ -	\$ 3,279,578.75	\$ 3,279,578.75
Subsequent activities:			
Anticipated activities:			
Anticipated Balance	<u>-</u>	<u>3,279,578.75</u>	<u>3,279,578.75</u>
Total Anticipated balances	<u>-</u>	<u>3,743,170.59</u>	<u>3,743,170.59</u>

Yield information at 6/30/2023:

Colotrust Plus - 5.2246%

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MIRABELLE METROPOLITAN DISTRICT No. 1
Property Taxes Reconciliation
2023

	Current Year								Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County Treasurer	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ 100.31	\$ -	\$ -	\$ -	\$ 100.31	0.00%	0.00%	\$ 70.00	0.00%	0.00%
February	-	-	105.63	-	-	-	105.63	0.00%	0.00%	62.40	0.00%	0.00%
March	-	-	107.08	-	-	-	107.08	0.00%	0.00%	72.90	0.00%	0.00%
April	-	-	90.14	-	-	-	90.14	0.00%	0.00%	75.68	0.00%	0.00%
May	13,284.24	-	112.16	-	(199.26)	-	13,197.14	100.00%	100.00%	9,673.51	100.00%	100.00%
June	-	-	100.47	-	-	-	100.47	0.00%	100.00%	66.72	0.00%	100.00%
July	-	-	-	-	-	-	-	0.00%	100.00%	72.37	0.00%	100.00%
August	-	-	-	-	-	-	-	0.00%	100.00%	93.49	0.00%	100.00%
September	-	-	-	-	-	-	-	0.00%	100.00%	69.36	0.00%	100.00%
October	-	-	-	-	-	-	-	0.00%	100.00%	72.40	0.00%	100.00%
November	-	-	-	-	-	-	-	0.00%	100.00%	68.86	0.00%	100.00%
December	-	-	-	-	-	-	-	0.00%	100.00%	61.81	0.00%	100.00%
\$	13,284.24	\$ -	\$ 615.79	\$ -	\$ (199.26)	\$ -	\$ 13,700.77	100.00%	100.00%	\$ 10,459.50	100.00%	100.00%

Mill Levy	Douglas County Assess Value	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
Property Tax					
General Fund	27.832 \$	159,100 \$	4,428	33.33%	\$ 4,428.08 100.00%
Debt Service Fund	55.664	159,100	8,856	66.67%	8,856.16 100.00%
			<u>\$ 13,284</u>	<u>100.00%</u>	<u>\$ 13,284.24 100.00%</u>

Specific Ownership Tax

General Fund	\$ 399	33.33%	\$ 205.26	51.51%
Debt Service Fund	\$ 797	66.67%	410.53	51.51%
	<u>\$ 1,196</u>	<u>100.00%</u>	<u>\$ 615.79</u>	<u>51.51%</u>

Treasurer's Fees

General Fund	\$ 66	33.33%	\$ 66.42	100.00%
Debt Service Fund	\$ 133	66.67%	132.84	100.00%
	<u>\$ 199</u>	<u>100.00%</u>	<u>\$ 199.26</u>	<u>100.00%</u>

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MIRABELLE METROPOLITAN DISTRICT NO. 2
2023 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.

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 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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**MIRABELLE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (Continued)

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% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.50%.

Intergovernmental Revenues

Pursuant to a Mill Levy Agreement with Mirabelle Metropolitan District No. 1, the intergovernmental revenues represent transfers from Mirabelle Metropolitan District No. 1 debt service revenue for the sole purpose of paying construction or debt service costs and obligations of the District.

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.

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MIRABELLE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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).

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.

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**MIRABELLE METROPOLITAN DISTRICT NO. 2
2023 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 up to the maximum amount of \$5,859,000 as required with the issuance of the Series 2020 Bonds.

This information is an integral part of the accompanying budget.

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**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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2049	4,575,000	228,750	4,803,750
Total	<u>\$ 29,295,000</u>	<u>\$ 28,717,750</u>	<u>\$ 58,012,750</u>

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