

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 381,252	\$ 401,698	\$ 16,123
REVENUES			
Property taxes	255,468	336,799	337,772
Specific ownership taxes	21,768	26,000	23,644
Interest income	7,322	2,570	100
District Service fees	15,210	16,400	16,200
Bond Issuance	-	3,315,000	-
Developer advance	-	11,724	-
Total revenues	<u>299,768</u>	<u>3,708,493</u>	<u>377,716</u>
Total funds available	<u>681,020</u>	<u>4,110,191</u>	<u>393,839</u>
EXPENDITURES			
General Fund	117,845	121,454	140,000
Special Revenue Fund	15,878	16,600	17,500
Debt Service Fund	145,599	3,956,014	208,500
Total expenditures	<u>279,322</u>	<u>4,094,068</u>	<u>366,000</u>
Total expenditures and transfers out requiring appropriation	<u>279,322</u>	<u>4,094,068</u>	<u>366,000</u>
ENDING FUND BALANCES	<u>\$ 401,698</u>	<u>\$ 16,123</u>	<u>\$ 27,839</u>
Emergency Reserve	\$ 3,300	\$ 4,200	\$ 4,700
Available for Operations	(25,275)	3,933	19,553
Debt Service Reserve Fund	203,500	-	-
Debt Service Surplus Fund	216,002	-	-
Reserve for Future Debt Service	-	4,019	915
TOTAL RESERVE	<u>\$ 397,527</u>	<u>\$ 12,152</u>	<u>\$ 25,168</u>

No assurance provided. See summary of significant assumptions.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Residential	\$ 2,429,443	\$ 3,673,817	\$ 3,673,817
State assessed	26,751	40,785	51,513
Vacant land	373,628	203	203
Certified Assessed Value	<u>\$ 2,829,822</u>	<u>\$ 3,714,805</u>	<u>\$ 3,725,533</u>
<b>MILL LEVY</b>			
General	35.000	35.000	39.164
Debt Service	55.277	55.664	51.500
Total mill levy	<u>90.277</u>	<u>90.664</u>	<u>90.664</u>
<b>PROPERTY TAXES</b>			
General	\$ 99,044	\$ 130,018	\$ 145,907
Debt Service	156,424	206,781	191,865
Budgeted property taxes	<u>\$ 255,468</u>	<u>\$ 336,799</u>	<u>\$ 337,772</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 99,044</b>	<b>\$ 130,018</b>	<b>\$ 145,907</b>
Debt Service	<b>156,424</b>	<b>206,781</b>	<b>191,865</b>
	<u><b>\$ 255,468</b></u>	<u><b>\$ 336,799</b></u>	<u><b>\$ 337,772</b></u>

No assurance provided. See summary of significant assumptions.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ (11,724)	\$ (21,975)	\$ 8,133
<b>REVENUES</b>			
Property Taxes	99,044	130,018	145,907
Specific Ownership Taxes	8,440	9,820	10,213
Interest Income	110	-	-
Developer advance	-	11,724	-
Total revenues	107,594	151,562	156,120
Total funds available	95,870	129,587	164,253
<b>EXPENDITURES</b>			
General and administrative			
Accounting	22,008	24,000	25,000
Audit	4,800	4,800	5,200
County Treasurer's Fees	1,488	1,950	2,189
District Management	11,543	12,000	15,000
Dues	384	523	550
Election	-	2,271	-
Insurance	2,858	3,160	3,300
Legal	20,880	32,500	25,000
Miscellaneous	1,157	650	1,500
Contingency	-	-	1,761
Operations and maintenance			
Drainage Maintenance	-	-	5,000
Electricity	145	250	500
Fence Repairs	-	-	5,000
Irrigation Repairs	4,003	2,500	3,000
Landscape Maintenance	26,339	20,000	25,000
Landscape Improvements	2,835	4,000	4,000
Snow Removal	5,525	2,000	3,000
Water	13,880	10,000	14,000
Website Maintenance	-	850	1,000
Total expenditures	117,845	121,454	140,000
Total expenditures and transfers out requiring appropriation	117,845	121,454	140,000
ENDING FUND BALANCE	\$ (21,975)	\$ 8,133	\$ 24,253
Emergency Reserve	\$ 3,300	\$ 4,200	\$ 4,700
Available for Operations	(25,275)	3,933	19,553
TOTAL RESERVE	\$ (21,975)	\$ 8,133	\$ 24,253

No assurance provided. See summary of significant assumptions.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 4,839	\$ 4,171	\$ 3,971
REVENUES			
District Service Fees	15,210	16,400	16,200
Total revenues	<u>15,210</u>	<u>16,400</u>	<u>16,200</u>
Total funds available	<u>20,049</u>	<u>20,571</u>	<u>20,171</u>
EXPENDITURES			
Billing	2,144	2,500	3,000
Trash Collection	13,734	14,100	14,500
Total expenditures	<u>15,878</u>	<u>16,600</u>	<u>17,500</u>
Total expenditures and transfers out requiring appropriation	<u>15,878</u>	<u>16,600</u>	<u>17,500</u>
ENDING FUND BALANCE	<u>\$ 4,171</u>	<u>\$ 3,971</u>	<u>\$ 2,671</u>

No assurance provided. See summary of significant assumptions.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 388,137	\$ 419,502	\$ 4,019
<b>REVENUES</b>			
Property Taxes	156,424	206,781	191,865
Specific Ownership Taxes	13,328	16,180	13,431
Interest Income	7,212	2,570	100
Bond Issuance	-	3,315,000	-
Total revenues	176,964	3,540,531	205,396
Total funds available	565,101	3,960,033	209,415
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fees	2,349	3,102	2,878
Paying Agent Fees	5,500	5,500	1,500
Deposit to Refunding Escrow	-	3,638,981	-
Contingency	-	-	12,524
Debt Service			
Bond Interest - Series 2016A	132,750	132,500	-
Loan Interest - Series 2020	-	-	116,598
Bond Principal - Series 2016A	5,000	30,000	-
Loan Principal - Series 2020	-	-	75,000
Bond Issue Costs	-	145,931	-
Total expenditures	145,599	3,956,014	208,500
Total expenditures and transfers out requiring appropriation	145,599	3,956,014	208,500
ENDING FUND BALANCE	\$ 419,502	\$ 4,019	\$ 915
Debt Service Reserve Fund	\$ 203,500	\$ -	\$ -
Debt Service Surplus Fund	216,002	-	-
Reserve for Future Debt Service	-	4,019	915
TOTAL RESERVE	\$ 419,502	\$ 4,019	\$ 915

No assurance provided. See summary of significant assumptions.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by Order and Decree of the District Court of Jefferson County, Colorado recorded on December 9, 2013, to provide financing for design, acquisition, construction and installation of essential public-purpose facilities such as water, sanitation, streets, traffic and safety controls, mosquito control, covenant enforcement, and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of the Southwest Metropolitan Water and Sanitation District in Jefferson County, Colorado.

On November 5, 2013, the Electors of the District authorized the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. Additionally, the District voters approved authorization to increase property taxes up to \$1,000,000 annually to pay for the administration, operations, maintenance, and capital expenditures of the District and \$4,000,000 to pay for regional improvements for which the District is obligated. Also, the electors authorized the issuance of indebtedness in an amount not to exceed \$36,000,000. This includes \$4,000,000 each for water facilities, sanitation system, street improvements, traffic and safety controls, mosquito control, operations and maintenance expenses, and intergovernmental agreements, as well as the refunding of up to \$8,000,000 in debt at a higher interest rate.

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 Statute 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, sale 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 Information page of the budget.

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT  
2021 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 7.0% of the property taxes collected.

**District Service Fees**

The Board of Directors approved a monthly District Service Fee for all homes within the District boundaries to cover trash removal services. For 2021, the estimated fees total \$16,200.

**Expenditures**

**Administrative and Operating Expenditures**

Administrative and operating expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, and meeting costs. The General Fund budget also includes estimated cost of services related to landscaping, snow removal and other maintenance.

**Debt Service**

Principal and interest payments in 2021 are based on the estimated debt amortization schedule from the 2020 Loan (discussed under Debt and Leases).

**Debt and Leases**

**Series 2016A General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds and Series 2016B Subordinate General Obligation Limited Tax Bonds**

On October 11, 2016, the District issued its General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2016A ("Senior Bonds") and Subordinate General Obligation Limited Tax Bonds, Series 2016 ("Subordinate Bonds") in the amounts of \$2,655,000 and \$561,000, respectively. The proceeds from the sale of the Senior Bonds were used for the purposes of (i) paying or reimbursing the costs of capital infrastructure improvements; (ii) providing capitalized interest for the Senior Bonds; (iii) providing a deposit to the Debt Service Reserve Fund; and; (iv) paying costs of issuance of the Senior Bonds. The proceeds from the sale of the Subordinate Bonds were used for the purposes of (i) paying or reimbursing the costs of capital infrastructure improvements; and (ii) paying costs of issuance of the Subordinate Bonds.



**MOUNTAIN'S EDGE METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

**Series 2016A General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds and Series 2016B Subordinate General Obligation Limited Tax Bonds (Continued)**

The Senior Bonds and the Subordinate Bonds were refunded and defeased with the proceeds from the issuance of the Taxable (Convertible to Tax-Exempt) Loan Series 2020. The Senior Bonds bore interest at 5.0%, payable semi-annually on June 1 and December 1, beginning on December 1, 2016. The Subordinate Bonds were issued at the rate of 7.375% per annum and payable annually from Subordinate Pledged Revenue on December 15, beginning on December 15, 2016. Unpaid interest on the Subordinate Bonds compounded annually on each December 15.

**Taxable (Convertible to Tax-Exempt) Loan, Series 2020**

On December 2, 2020, the District entered into a Loan Agreement with Zion Bancorporation, N.A. d/b/a Vectra Bank Colorado (the "Bank") in the maximum amount of \$3,315,000 ("2020 Loan"). The proceeds from the 2020 Loan were used to (i) refund the 2016A Senior Bonds and the 2016B Subordinate Bonds; (ii) pay the Bank's combined loan commitment fee and rate lock fee; (iii) pay the costs of issuing the 2020 Loan; and (iv) pay any remaining proceeds to the Loan Payment Fund.

Prior to the Tax-Exempt Reissuance Date, the 2020 Loan bears interest at the Base Rate of 3.64%. On and after the Tax-Reissuance Date, until the first Interest Reset Date, the Based Rate will be 2.98%. The Tax-Exempt Reissuance Date is the date on which any portion of the 2020 Loan bearing Taxable Interest is reissued for federal income tax purposes for an obligation bearing Tax-Exempt Interest. The Interest Reset Date is December 1, 2040 and every five-year anniversary thereafter until the 2020 Loan is paid.

Interest payments are due on June 1 and December 1 of each year, commencing June 1, 2021 ("Interest Payment Dates"). All interest due and payable shall be calculated on the basis of a 360-day year and actual number of days elapsed in the applicable period. Interest not paid when due shall compound on each Interest Payment Date at the then-applicable interest rate.

Principal payments are due December 1 of each year beginning on December 1, 2021. The 2020 Loan matures on December 1, 2045.

At its option, the District may prepay all or any part of the principal of the 2020 Loan upon payment of the principal amount so prepaid, accrued interest thereon, and a Prepayment Fee. On a date prior to the fifth anniversary of the Closing Date the Prepayment Fee is 1% of the principal amount so prepaid. On and after the fifth anniversary of the Closing Date, no Prepayment Fee shall apply.

The principal of and interest on the 2020 Loan is payable solely from and to the extent of Pledged Revenue, which consists of (a) the Required Mill Levy; (b) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and (c) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue.

Prior to the time when the Parity Debt to Assessed Ratio is 50% or less, the Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the Loan Payment Fund, to pay the annual debt requirements for the next fiscal year, but not in excess of 50 mills (subject to adjustment).

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

**Taxable (Convertible to Tax-Exempt) Loan, Series 2020 (Continued)**

In the event the method of calculating assessed valuation is changed after August 6, 2013, the mill levy shall be increased or decreased to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

Once the Parity Debt to Assessed Ratio is 50% or less, the Required Mill Levy shall be equal to an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the Loan Payment Fund, to generate property tax revenues of not less than the annual debt requirements for the next fiscal year without limitation of rate.

The District has no operating or capital leases.

**Developer Advances**

The District has entered into Operation Funding Agreements with Reserve at the Meadows, LLC ("Developer") for 2013 – 2019 ("OFAs"), as well as a Facilities Funding and Acquisition Agreement dated December 10, 2013, as amended ("FFAA"). Advances under the OFAs and FFAA accrue interest at 8.0% per annum, with accrued interest payable first, and then principal. At December 31, 2020, the principal and interest amounts due under the OFAs and FFAA are on the attached schedule.

**Reserve Fund**

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2021, as defined under TABOR.

**This information is an integral part of the accompanying budget.**

**MOUNTAIN'S EDGE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$3,315,000 Taxable (Convertible to Tax-Exempt)  
Loan**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>Series 2020 Interest 3.64% - 5.00% Dated December 2, 2020 Interest Payable June 1 and December 1 Principal Payable December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 75,000	\$ 116,598	\$ 191,598
2022	95,000	97,893	192,893
2023	100,000	95,023	195,023
2024	100,000	92,253	192,253
2025	105,000	88,980	193,980
2026	110,000	85,807	195,807
2027	110,000	82,484	192,484
2028	115,000	79,377	194,377
2029	115,000	75,686	190,686
2030	120,000	72,211	192,211
2031	125,000	68,586	193,586
2032	130,000	64,986	194,986
2033	130,000	60,881	190,881
2034	135,000	56,953	191,953
2035	140,000	52,874	192,874
2036	145,000	48,778	193,778
2037	150,000	44,263	194,263
2038	155,000	39,731	194,731
2039	160,000	35,048	195,048
2040	165,000	30,297	195,297
2041	150,000	42,330	192,330
2042	160,000	34,726	194,726
2043	165,000	26,615	191,615
2044	175,000	18,300	193,300
2045	185,000	9,378	194,378
	<b>\$ 3,315,000</b>	<b>\$ 1,520,058</b>	<b>\$ 4,835,058</b>

**Bond Variable Rate Table**

Begin Date	End Date	Interest Rate
12/02/2020	09/03/2021	3.64%
09/03/2021	12/01/2040	2.98%
12/01/2040	12/01/2045	5.00%

No assurance provided. See summary of significant assumptions.

**Mountain's Edge Metropolitan District  
Schedule of Developer Advances**

	Balance at December 31, 2019	Estimated Additions	Estimated Repayments	Estimated Balance at December 31, 2020
Developer advances - Capital	\$ 2,222,800	\$ -	\$ -	\$ 2,222,800
Developer advances - O&M	193,269	11,724	-	204,993
	<u>2,416,069</u>	<u>11,724</u>	<u>-</u>	<u>2,427,793</u>
Accrued interest - Capital	572,934	177,824	-	750,758
Accrued interest - O&M	41,555	15,684	-	57,239
	<u>614,489</u>	<u>193,508</u>	<u>-</u>	<u>807,997</u>
	<u>\$ 3,030,558</u>	<u>\$ 205,232</u>	<u>\$ -</u>	<u>\$ 3,235,790</u>
	Estimated Balance at December 31, 2020	Estimated Additions	Estimated Repayments	Estimated Balance at December 31, 2020
Developer advances - Capital	\$ 2,222,800	\$ -	\$ -	\$ 2,222,800
Developer advances - O&M	204,993	-	-	204,993
	<u>2,427,793</u>	<u>-</u>	<u>-</u>	<u>2,427,793</u>
Accrued interest - Capital	750,758	177,824	-	928,582
Accrued interest - O&M	57,239	16,399	-	73,638
	<u>807,997</u>	<u>194,223</u>	<u>-</u>	<u>1,002,220</u>
	<u>\$ 3,235,790</u>	<u>\$ 194,223</u>	<u>\$ -</u>	<u>\$ 3,430,013</u>

No assurance provided. See summary of significant assumptions.