

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for MESA RIDGE METROPOLITAN DISTRICT NO. 2 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 14, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen, LLP
121 S. Tejon Street, Suite 1100
Colorado Springs, Colorado 80903
719-635-0330

I, Josh Miller as District Manager of the Mesa Ridge Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: _____



RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
MESA RIDGE METROPOLITAN DISTRICT NO. 2

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MESA RIDGE METROPOLITAN DISTRICT NO. 2, 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 of the Mesa Ridge Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 14, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ 54,107; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$ 0.00; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 487,027; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ 96,245; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ 0.00; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$ 0.00; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$ 9,454,280; and

WHEREAS, at an election held on May 2, 2004, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MESA RIDGE METROPOLITAN DISTRICT NO. 2 OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Mesa Ridge Metropolitan District No. 1 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 5.723 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 51.514 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 10.180 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. 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.

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ADOPTED this 14th day of November, 2022.

MESA RIDGE METROPOLITAN DISTRICT NO. 2

DocuSigned by:
Timothy Seibert
F9387EC0B99F48F...

President

ATTEST:

DocuSigned by:
Bobby Ingels
454303339A27410...

Secretary

**ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES**

MESA RIDGE METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**MESA RIDGE METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 617,608	\$ 639,090	\$ 647,175
REVENUES			
Property taxes	487,008	542,791	541,134
Property taxes - contractual	86,179	96,051	96,246
Specific ownership tax	67,311	63,885	63,738
Interest income	568	4,226	3,428
Bond issuance	3,720,000	-	-
Other revenue	-	-	9,433
Intergovernmental revenue - MRMD1	45,250	-	-
Total revenues	<u>4,406,316</u>	<u>706,953</u>	<u>713,979</u>
Total funds available	<u>5,023,924</u>	<u>1,346,043</u>	<u>1,361,154</u>
EXPENDITURES			
General Fund	150,787	165,540	175,001
Debt Service Fund	468,797	533,328	533,205
Capital Projects Fund	3,765,250	-	-
Total expenditures	<u>4,384,834</u>	<u>698,868</u>	<u>708,206</u>
Total expenditures and transfers out requiring appropriation	<u>4,384,834</u>	<u>698,868</u>	<u>708,206</u>
ENDING FUND BALANCES	<u>\$ 639,090</u>	<u>\$ 647,175</u>	<u>\$ 652,947</u>
DEBT SERVICE RESERVE - SERIES 2015	25,000	25,000	25,000
TOTAL RESERVE	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>

No assurance provided. See summary of significant assumptions.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/28/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Residential-single family	\$ 8,390,890	\$ 9,334,160	\$ 6,816,130
Residential - multi family	-	-	2,214,100
Commercial	27,910	33,840	42,880
Agricultural	5,460	5,780	5,280
State assessed	44,520	48,840	47,130
Vacant land	280,420	328,760	328,760
Certified Assessed Value	\$ 8,749,200	\$ 9,751,380	\$ 9,454,280

MILL LEVY

General	5.566	5.566	5.723
Debt Service	50.097	50.097	51.514
Contractual	9.850	9.850	10.180
Total mill levy	65.513	65.513	67.417

PROPERTY TAXES

General	\$ 48,698	\$ 54,276	\$ 54,107
Debt Service	438,309	488,515	487,027
Contractual	86,179	96,051	96,245
Levied property taxes	573,186	638,842	637,379
Budgeted property taxes	\$ 573,186	\$ 638,842	\$ 637,379

BUDGETED PROPERTY TAXES

General	\$ 48,698	\$ 54,276	\$ 54,107
Debt Service	438,310	488,515	487,027
Contractual	86,179	96,051	96,245
	\$ 573,187	\$ 638,842	\$ 637,379

No assurance provided. See summary of significant assumptions.

**MESA RIDGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	48,698	54,276	54,107
Property taxes - contractual	86,179	96,051	96,246
Specific ownership tax	15,839	15,033	15,035
Interest income	71	180	180
Other revenue	-	-	9,433
Total revenues	150,787	165,540	175,001
Total funds available	150,787	165,540	175,001
EXPENDITURES			
General and administrative			
County Treasurer's fee	731	814	812
County Treasurer's fee - contractual	1,293	1,441	1,444
Contingency	-	-	9,433
Operations and maintenance			
Intergovernmental expenditures - Mesa Ridge No. 1	63,877	68,675	68,510
Intergovernmental expenditures - Cross Creek MD	84,886	94,610	94,802
Total expenditures	150,787	165,540	175,001
Total expenditures and transfers out requiring appropriation	150,787	165,540	175,001
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**MESA RIDGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 617,608	\$ 639,090	\$ 647,175
REVENUES			
Property taxes	438,310	488,515	487,027
Specific ownership tax	51,472	48,852	48,703
Interest income	497	4,046	3,248
Total revenues	<u>490,279</u>	<u>541,413</u>	<u>538,978</u>
Total funds available	<u>1,107,887</u>	<u>1,180,503</u>	<u>1,186,153</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	6,577	7,328	7,305
Debt Service			
Bond interest - Series 2015	222,300	217,800	213,300
Bond principal - Series 2015	75,000	75,000	80,000
Bond interest - Series 2021	164,920	223,200	222,600
Bond principal - Series 2021	-	10,000	10,000
Total expenditures	<u>468,797</u>	<u>533,328</u>	<u>533,205</u>
Total expenditures and transfers out requiring appropriation	<u>468,797</u>	<u>533,328</u>	<u>533,205</u>
ENDING FUND BALANCE	<u>\$ 639,090</u>	<u>\$ 647,175</u>	<u>\$ 652,947</u>
DEBT SERVICE RESERVE - SERIES 2015	\$ 25,000	\$ 25,000	\$ 25,000
TOTAL RESERVE	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>

No assurance provided. See summary of significant assumptions.

**MESA RIDGE METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Bond Issuance	3,720,000	-	-
Intergovernmental revenue - MRMD1	45,250	-	-
Total revenues	<u>3,765,250</u>	<u>-</u>	<u>-</u>
Total funds available	<u>3,765,250</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Bond Issue Costs	45,250	-	-
Intergovernmental expenditures - MRMD1	3,720,000	-	-
Total expenditures	<u>3,765,250</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>3,765,250</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

Services Provided

Mesa Ridge Metropolitan District No. 2 (the "District") and Mesa Ridge Metropolitan District No. 1 (District No. 1) were formed under the Joint Service Plan approved by the City of Fountain, Colorado. The Districts' service area is located entirely within the City of Fountain, El Paso County, Colorado. The District is responsible for providing funding to support costs related to services and improvements utilizing the tax base, fees, and charges and will be deemed to be the "Financing District" in order to generate the necessary revenues. District No. 1 will be responsible for managing the design, construction, and operation of the public facilities and improvements and will be deemed to be the "Managing District." Under the Service Plan, the Districts provide the following services: water, wastewater, street improvements, safety protection, parks and recreation, mosquito control, television relay and translation, transportation, and drainage.

The District was organized by El Paso County Court Order on September 20, 2004.

At an election held on November 2, 2004, the voters approved general indebtedness of \$7,000,000 for street improvements, \$2,000,000 for water supply, \$2,000,000, sanitary sewer, \$1,000,000 for traffic and safety controls, \$3,000,000 for parks and recreation, \$1,000,000 for mosquito control, \$1,000,000 for television relay and translation, \$250,000 for public transportation, and \$20,000,000 for refinancing District debt. The voters also approved an annual increase in taxes of \$500,000 at a mill levy rate without limitation or with such limitations as may be determined by the board for the purpose of the District's operations, maintenance, and other expenses. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. Pursuant to the District's combined service plan filed with the city, the maximum debt service mill levy the District can impose is 50.000 mills.

Pursuant to the Service Plan, the Districts are permitted to issue bond indebtedness of up to \$35,000,000.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with 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.

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

Revenues - (continued)

Property Taxes (continued)

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 set a mill levy for property tax collection in 2023. The calculation of the taxes levied is displayed on the Property Tax Summary Page at the adopted mill levy of 67.417 mills.

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%.

Specific Ownership Tax

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 10% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 2.00%.

Expenditures

County Treasurer's Fees

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

Intergovernmental Transfers – Mesa Ridge Metropolitan District No. 1

Per the Intergovernmental Agreement between the District and District No. 1, net revenues are transferred to District No. 1 to help fund operations and maintenance expenses of both districts.

Intergovernmental Transfers – Cross Creek Metropolitan District

Per the Intergovernmental Agreement between the District and Cross Creek Metropolitan District, net revenues from the contractual mill levy are transferred to Cross Creek Metropolitan District to help fund the operations and maintenance expenses of the Regional Park.

MESA RIDGE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures – (continued)

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2015 and 2021 Bonds.

Debt and Leases

On March 26, 2015, the District issued \$4,000,000 of Limited Tax General Obligation Bonds, Series 2015. The bonds bear interest at the rate of 6% per annum, payable semiannually on June 1 and December 1, commencing on June 1, 2015. Principal payments are due on December 1, commencing on December 1, 2015. The bonds mature on December 1, 2044. The bonds are subject to redemption prior to maturity, at the option of the District, on or after December 1, 2024, upon payment of par and accrued interest, without redemption premium.

The bonds are secured by Pledged Revenue, which consists of the Limited Mill Levy, the portion of specific ownership taxes attributable to the Limited Mill Levy, and any other revenues of the District legally available to pay principal of and interest on the bonds which are not required to pay the District's operations and maintenance costs. The Limited Mill Levy is an ad valorem mill levy imposed upon all taxable property in the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the bonds, but not in excess of 45.000 mills. During 2019, the residential assessment rate was changed from 7.20% to 7.15%, and the maximum mill levy was adjusted to 49.993.

Proceeds of the bonds were used (1) to pay for improvements of the District in accordance with the Joint Financing and Reimbursement Agreement between the District, District No. 1, and the Developer, (2) fund the Reserve Fund Requirement in the amount of \$25,000, and (3) pay the costs of issuance of the bonds.

On March 5, 2021, the District issued \$3,720,000 of Limited Tax General Obligation Bonds, Series 2021. The bonds bear interest at the rate of 6% per annum, payable semiannually on June 1 and December 1, commencing on December 1, 2021. Principal payments are due on December 1, commencing on December 1, 2022. The bonds mature on December 1, 2050. The bonds are subject to redemption prior to maturity, at the option of the District, upon payment of par and accrued interest, without redemption premium. The bonds are secured by Pledged Revenue, which consists of the Limited Mill Levy, the portion of specific ownership taxes attributable to the Limited Mill Levy, and any other revenues of the District legally available to pay principal of and interest on the bonds which are not required to pay the District's operations and maintenance costs.

The District has no capital or operating leases.

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

Reserves

Debt Service Reserve

The Series 2015 bonds have a required debt service reserve of \$25,000.

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 of the District's operations and maintenance costs, an emergency reserve is not reflected in the District's Budget. The emergency reserve for these funds is reflected in District No. 1.

This information is an integral part of the accompanying budget.

**MESA RIDGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$4,000,000

Limited Tax General Obligation Bonds

Dated March 26, 2015

Interest Rate of 6.0%

Interest Due June 1 and December 1

Year Ending December 31,	Principal Due December 1		
	Principal	Interest	Total
2023	\$ 80,000	\$ 213,300	\$ 293,300
2024	85,000	208,500	293,500
2025	90,000	203,400	293,400
2026	95,000	198,000	293,000
2027	105,000	192,300	297,300
2028	110,000	186,000	296,000
2029	115,000	179,400	294,400
2030	125,000	172,500	297,500
2031	130,000	165,000	295,000
2032	140,000	157,200	297,200
2033	145,000	148,800	293,800
2034	155,000	140,100	295,100
2035	165,000	130,800	295,800
2036	175,000	120,900	295,900
2037	185,000	110,400	295,400
2038	195,000	99,300	294,300
2039	210,000	87,600	297,600
2040	220,000	75,000	295,000
2041	235,000	61,800	296,800
2042	250,000	47,700	297,700
2043	265,000	32,700	297,700
2044	280,000	16,800	296,800
	<u>\$ 3,630,000</u>	<u>\$ 3,165,300</u>	<u>\$ 6,795,300</u>

**MESA RIDGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$3,720,000

Limited Tax General Obligation Bonds

Dated March 5, 2021

Interest Rate of 6.0%

Interest Due December 1

Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 10,000	\$ 222,600	\$ 232,600
2024	30,000	222,000	252,000
2025	30,000	220,200	250,200
2026	30,000	218,400	248,400
2027	30,000	216,600	246,600
2028	35,000	214,800	249,800
2029	35,000	212,700	247,700
2030	35,000	210,600	245,600
2031	40,000	208,500	248,500
2032	40,000	206,100	246,100
2033	45,000	203,700	248,700
2034	45,000	201,000	246,000
2035	50,000	198,300	248,300
2036	50,000	195,300	245,300
2037	55,000	192,300	247,300
2038	60,000	189,000	249,000
2039	60,000	185,400	245,400
2040	65,000	181,800	246,800
2041	70,000	177,900	247,900
2042	70,000	173,700	243,700
2043	75,000	169,500	244,500
2044	80,000	165,000	245,000
2045	385,000	160,200	545,200
2046	405,000	137,100	542,100
2047	430,000	112,800	542,800
2048	455,000	87,000	542,000
2049	485,000	59,700	544,700
2050	510,000	30,600	540,600
	<u>\$ 3,720,000</u>	<u>\$ 5,196,000</u>	<u>\$ 8,916,000</u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the Mesa Ridge Metropolitan District No. 2,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the Mesa Ridge Metropolitan District No. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 9,454,280 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: \$ 9,454,280 (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: 12/7/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>5.723</u> mills	<u>\$ 54,107</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>5.723</u> mills	<u>\$ 54,107</u>
3. General Obligation Bonds and Interest ^J	<u>51.514</u> mills	<u>\$ 487,027</u>
4. Contractual Obligations ^K	<u>10.180</u> mills	<u>\$ 96,245</u>
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]	<u>67.417</u> mills	<u>\$637,379</u>

Contact person: Carrie Bartow Daytime phone: (719) 635-0330
(print)

Signed: *Carrie Bartow* Title: Accountant for the District

¹ 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

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: Capital Improvements
Series: Limited Tax General Obligation Bonds – Series 2015
Date of Issue: March 3, 2015
Coupon Rate: 6.0%
Maturity Date: December 1, 2044
Levy: 28.730
Revenue: 271,621

2. Purpose of Issue: Capital Improvements
Series: Limited Tax General Obligation Bonds – Series 2021
Date of Issue: March 5, 2021
Coupon Rate: 6.00%
Maturity Date: December 1, 2050
Levy: 22.784
Revenue: 215,406

CONTRACTS^K:

3. Purpose of Contract: Fund Operation and Maintenance Expense for Regional Park
Title: Cross Creek Metropolitan District Intergovernmental Agreement
Date: January 2011
Principal Amount: N/A
Maturity Date: N/A
Levy: 10.180
Revenue: 96,245

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

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

THE EL PASO COUNTY ADVERTISER AND NEWS,
FOUNTAIN, COLORADO 80817
STATE OF COLORADO

SS.

COUNTY OF EL PASO

I, Karin B. Hill, do solemnly swear that I am Managing Editor of the El Paso County Advertiser and News, that the same is a weekly newspaper printed, in whole or in part, and published in the County of El Paso, state of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said county of El Paso for a period of more than 52 weeks next prior to the first publication of the annexed notice and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That copies of each number of said paper in which said notice and list were published were delivered by carriers or transmitted by mail to each of the subscribers of said paper for a period of 1 consecutive insertions, once each week, and on the same day of each week; and that first publication of said notice was in the issue of said newspaper dated November 2nd A.D. 2022 and that the last publication of said notice was in the issue of said newspaper dated November 2nd A.D. 2022.

Karin B. Hill
Managing Editor

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 2nd day of November A.D. 2022.

Karen M. Johnson
Notary Public
My Commission Expires January 11, 2026

KAREN M JOHNSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20014039459
MY COMMISSION EXPIRES JANUARY 11, 2026

NOTICE OF HEARING ON PROPOSED 2023 BUDGETS AND 2022 BUDGET AMENDMENTS

NOTICE IS HEREBY GIVEN that the proposed budgets for the ensuing year of 2023 have been submitted to the Mesa Ridge Metropolitan District Nos. 1-2 ("Districts"). Each proposed budget will be considered at a meeting and public hearing of the Boards of Directors of the Districts to be held at 1:00 p.m. on November 14, 2022 located at 121 South Tejon Street, Suite 1100 Colorado Springs, CO 80903 or via telephone and videoconference. To attend and participate by telephone, dial 1 (720)547-5291 and area periodic 6899 068 8368. Information regarding public participation by videoconference will be available at least 24 hours prior to the meeting and public hearing online at <https://www.mesaridgedist.com> or by contacting Mike Manby, by email at Mike.Manby@mesaridgedist.com or by telephone at (719) 535-0350.

NOTICE IS FURTHER GIVEN that an amendment to the 2022 budgets of the Districts may also be considered at the above-referenced meeting and public hearing of the Boards of Directors of the Districts. A copy of the proposed 2022 budgets and the amended 2022 budgets, if required, are available for public inspection at the offices of Clifton-Larson-Allen, LLP at 121 South Tejon Street Suite 1100, Colorado Springs, CO 80903. Any interested elector within the Districts may, at any time prior to final adoption of the 2023 budgets and the amended 2022 budgets, if required, file or register any objections thereto.

MESA RIDGE METROPOLITAN DISTRICT NOS. 1-2
By: /s/ Timothy Solbert, President

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