

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

11/14/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 12,685,760	\$ 11,706,132	\$ 11,706,132	\$ 5,738,107
REVENUES					
Property taxes	-	-	-	-	2,644
Specific ownership tax	-	-	-	-	264
Developer advance	63,633	54,000	25,782	64,955	54,963
Interest income	261	-	24,789	50,020	40,150
Public improvement fees	-	-	-	-	15,000
Other revenue	-	-	-	-	6,000
Intergovernmental revenues	-	-	-	-	16,510
Bond Proceeds	12,258,000	-	-	-	-
Total revenues	<u>12,321,894</u>	<u>54,000</u>	<u>50,571</u>	<u>114,975</u>	<u>135,531</u>
Total funds available	<u>12,321,894</u>	<u>12,739,760</u>	<u>11,756,703</u>	<u>11,821,107</u>	<u>5,873,638</u>
EXPENDITURES					
General Fund	1,875	50,000	25,269	59,000	70,000
Debt Service Fund	-	4,000	-	4,000	25,131
Capital Projects Fund	613,887	12,685,760	4,820,390	6,020,000	5,778,007
Total expenditures	<u>615,762</u>	<u>12,739,760</u>	<u>4,845,659</u>	<u>6,083,000</u>	<u>5,873,138</u>
Total expenditures and transfers out requiring appropriation	<u>615,762</u>	<u>12,739,760</u>	<u>4,845,659</u>	<u>6,083,000</u>	<u>5,873,138</u>
ENDING FUND BALANCES	<u>\$ 11,706,132</u>	<u>\$ -</u>	<u>\$ 6,911,044</u>	<u>\$ 5,738,107</u>	<u>\$ 500</u>
EMERGENCY RESERVE	\$ -	\$ -	\$ 100	\$ 100	\$ 500
AVAILABLE FOR OPERATIONS	(1,875)	-	(1,460)	-	-
TOTAL RESERVE	<u>\$ (1,875)</u>	<u>\$ -</u>	<u>\$ (1,360)</u>	<u>\$ 100</u>	<u>\$ 500</u>

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/14/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>					
Vacant land	\$ -	\$ -	\$ -	\$ -	\$ 44,070
	-	-	-	-	44,070
Adjustments	-	-	-	-	-
Certified Assessed Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,070</u>
<b>MILL LEVY</b>					
General	0.000	10.000	10.000	10.000	10.000
Debt Service	0.000	50.000	50.000	50.000	50.000
Total mill levy	<u>0.000</u>	<u>60.000</u>	<u>60.000</u>	<u>60.000</u>	<u>60.000</u>
<b>PROPERTY TAXES</b>					
General	\$ -	\$ -	\$ -	\$ -	\$ 441
Debt Service	-	-	-	-	2,203
	-	-	-	-	2,644
Levied property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,644</u>
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,644</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ -	\$ -	\$ -	\$ -	\$ 441
Debt Service	-	-	-	-	2,203
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,644</u>

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/14/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ (1,875)	\$ (1,875)	\$ 100
REVENUES					
Property taxes	-	-	-	-	441
Specific ownership tax	-	-	-	-	44
Interest income	-	-	2	20	50
Developer advance	-	50,000	25,782	60,955	54,963
Intergovernmental revenues	-	-	-	-	14,902
Total revenues	-	50,000	25,784	60,975	70,400
Total funds available	-	50,000	23,909	59,100	70,500
EXPENDITURES					
General and administrative					
Accounting	1,875	10,000	9,486	21,000	20,000
Audit	-	-	-	5,000	5,000
County Treasurer's fee	-	-	-	-	7
Dues and licenses	-	-	346	346	500
Insurance and bonds	-	2,500	3,704	3,704	4,000
District management	-	1,500	-	-	4,000
Website	-	-	-	2,000	2,000
Legal services	-	20,000	10,806	22,000	20,000
Miscellaneous	-	1,000	-	-	-
Election expense	-	-	927	927	1,500
PIF collections	-	-	-	-	3,000
Contingency	-	15,000	-	4,023	9,993
Total expenditures	1,875	50,000	25,269	59,000	70,000
Total expenditures and transfers out requiring appropriation	1,875	50,000	25,269	59,000	70,000
ENDING FUND BALANCES	\$ (1,875)	\$ -	\$ (1,360)	\$ 100	\$ 500
EMERGENCY RESERVE	\$ -	\$ -	\$ 100	\$ 100	\$ 500
AVAILABLE FOR OPERATIONS	(1,875)	-	(1,460)	-	-
TOTAL RESERVE	\$ (1,875)	\$ -	\$ (1,360)	\$ 100	\$ 500

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/14/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	-	-	-	-	2,203
Specific ownership tax	-	-	-	-	220
Interest income	-	-	-	-	100
Developer advance	-	4,000	-	4,000	-
Public improvement fees	-	-	-	-	15,000
Other revenue	-	-	-	-	6,000
Intergovernmental revenues	-	-	-	-	1,608
Total revenues	-	4,000	-	4,000	25,131
Total funds available	-	4,000	-	4,000	25,131
EXPENDITURES					
General and administrative					
County Treasurer's fee	-	-	-	-	33
Paying agent fees	-	4,000	-	4,000	4,000
Contingency	-	-	-	-	6,000
Debt Service					
Bond interest Senior Bonds	-	-	-	-	15,098
Total expenditures	-	4,000	-	4,000	25,131
Total expenditures and transfers out requiring appropriation	-	4,000	-	4,000	25,131
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1**  
**CAPITAL PROJECTS FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/14/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 12,685,760	\$ 11,708,007	\$ 11,708,007	\$ 5,738,007
REVENUES					
Interest income	261	-	24,787	50,000	40,000
Developer advance	63,633	-	-	-	-
Bond Proceeds	12,258,000	-	-	-	-
Total revenues	<u>12,321,894</u>	<u>-</u>	<u>24,787</u>	<u>50,000</u>	<u>40,000</u>
Total funds available	<u>12,321,894</u>	<u>12,685,760</u>	<u>11,732,794</u>	<u>11,758,007</u>	<u>5,778,007</u>
EXPENDITURES					
General and Administrative					
Accounting	-	5,000	383	5,000	6,000
Capital Projects					
Repay developer advance	64,644	-	-	-	-
Engineering	-	15,000	9,035	15,000	15,000
Bond issue costs	549,243	-	-	-	-
Capital outlay	-	12,665,760	4,810,972	6,000,000	5,757,007
Total expenditures	<u>613,887</u>	<u>12,685,760</u>	<u>4,820,390</u>	<u>6,020,000</u>	<u>5,778,007</u>
Total expenditures and transfers out requiring appropriation	<u>613,887</u>	<u>12,685,760</u>	<u>4,820,390</u>	<u>6,020,000</u>	<u>5,778,007</u>
ENDING FUND BALANCES	<u>\$ 11,708,007</u>	<u>\$ -</u>	<u>\$ 6,912,404</u>	<u>\$ 5,738,007</u>	<u>\$ -</u>

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Monument Junction Metropolitan District No. 1 (“the District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for El Paso County, Colorado on August 2, 2021, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Monument on August 2, 2021.

The District was organized to provide for the finance, design, construct, acquire, install of Public Improvements and related operation and maintenance services. The District is organized in conjunction with one other related financing district – Monument Junction Metropolitan District No. 2. The District serves as the Operating District which will pay all vendors of and receive reimbursement/contributions from the Financing Districts. The Financing Districts which will levy ad valorem taxes on taxable properties within each District and assess fees, rates and other charges as authorized by law. The District's service area is located entirely within the Town of Monument, El Paso County, Colorado.

Pursuant to the Service Plan approved by the Town, the District is permitted to issue bond indebtedness of up to \$37,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

Pursuant to the District's Service Plan approved by the Town, the maximum debt mill levy is 50 mills, and the maximum operating mill levy for the payment of administrative, operations and maintenance expense is 10 mills.

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 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.

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues** (continued)

**Property Taxes** (continued)

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%.

**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 10% of the property taxes collected.

**Public Improvement Fees**

The District charges public improvement fees (PIF). The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods at a rate of 1%, in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District and remitted to the District within 20 days after month end.

**Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

**Developer Advance**

The District is in the development state. As such, the operating and administrative expenditures will be mainly funded by the developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative and Operating Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the district's administrative viability such as legal, management, accounting, and insurance.

**County Treasurer's Fees**

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

**Capital Outlay**

The District plans to accept the costs of eligible public improvement costs paid for by the Developer, based on costs certified by the District Accountant and Engineer. The budgeted amounts are based on the estimate of those costs.

**Debt Service**

Principal and interest payments for the Series 2021A Bonds are provided based on the receipt of pledged revenue (discussed under Debt and Leases).

**Debt and Leases**

**General Obligation Limited Tax Bonds, Series 2021A(3) (the Bonds)**

Bond Proceeds

The District issued the Bonds on December 14, 2021, in the par amount of \$12,258,000. Proceeds from the sale of the Bonds were used for the purposes of (i) financing or reimbursing a portion of the costs of designing, acquiring, constructing, relocating, installing, completing, and providing certain public infrastructure improvements relating to the Development; and (ii) paying costs of issuance of the Bonds.

Pledge Agreement

The District, Monument Junction Metropolitan District No. 2 (the "Pledge District") and the Trustee have entered into a Capital Pledge Agreement (the "Pledge Agreement") to provide ad valorem property tax revenue derived from the taxable property of the Pledge District and other revenue received and to be received by the Pledge District in order to pay, in combination with revenue of the District, the debt service on the Bonds.

Details of the Bonds

The Bonds bear interest at the rate of 5.750% per annum and are payable annually on December 1, beginning on December 1, 2022, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2051 and are subject to mandatory redemption to the extent of available Pledged Revenue.

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

Details of the Bonds (continued)

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the maturity date. Unpaid interest on the Bonds compounds annually on December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 2, 2061, such amounts shall be deemed discharged and no longer due and outstanding.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) the Required Mill Levy; (b) the Pledged Public Improvement Fees; (c) the Pledged Fees; (d) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Required Mill Levy

The District is required to impose an ad valorem mill levy, the Required Mill Levy, upon all taxable property of the District each year in the amount of 50 mills (subject to adjustment for changes in the ratio between market value and assessed value of taxable property with the District that would cause a reduction in the revenue otherwise produced from such maximum mill levy on or after January 1, 2021) or such lesser mill levy which is sufficient to pay all of the principal of and interest on the Bonds in full.

Pledged Public Improvement Fees

The Developer has recorded a Declaration of Covenants Imposing and Implementing the Monument Junction Public Improvement Fee ("PIF") on the PIF Property which is generally defined as the anticipated commercial development in the District. A PIF of 1% is imposed on all PIF Sales occurring within the PIF Property. Pledged PIF are the PIF Revenues received in each Bond Year up to but not exceeding the Public Improvement Fee Cap and are net of any costs of collection; provided, however, Pledged Public Improvement Fees may be used for such other legally available purposes as the District may determine without being subject to the Public Improvement Fee Cap. Public Improvement Fee Cap means, for each Bond Year, an amount equal to 50% of the scheduled debt service due on the Bonds in such Bond Year.

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

Pledged Fees

Pledged Fees means the moneys derived from the Pledge District Capital Revenue as imposed pursuant to the Pledge Agreement. Pledge District Capital Revenue means the moneys derived from the following sources: (1) the Mandatory Capital Levy; and (2) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Mandatory Capital Levy.

The Pledge District has covenanted, for so long as the Bonds are outstanding, to cause to be levied on all of the taxable property of the Pledge District, the amount of the Mandatory Capital Levy. Mandatory Capital Levy means an ad valorem mill levy imposed on all taxable property of the Pledge District each year in the amount of 40 mills (subject to adjustment for changes in the ratio between market value and assessed value of taxable property with the Pledge District that would cause a reduction in the revenue otherwise produced from such maximum mill levy on or after January 1, 2021) or such lesser mill levy which is sufficient to pay all of the principal of and interest on the Bonds, and any Refunding Obligations thereof, in full for so long as the Bonds (or any Refunding Obligations thereof) are outstanding. The Mandatory Capital Levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

Bonds Debt Service

The annual debt service requirements of the Bonds are not currently determinable since they are payable only from available Pledged Revenue.

**Schedule of Long Term Obligations**

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
Series 2021A Bonds	\$ 12,258,000	\$ -	\$ -	\$ 12,258,000
Accrued Interest - Series 2021A	33,284	708,090	-	741,374
Developer Advances - Operating	-	60,955	-	60,955
Accrued interest - Operating	-	2,438	-	2,438
	<u>12,291,284</u>	<u>771,484</u>	<u>-</u>	<u>13,062,768</u>
	<u>\$ 12,291,284</u>	<u>\$ 771,484</u>	<u>\$ -</u>	<u>\$ 13,062,768</u>
	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
Series 2021A Bonds	\$ 12,258,000	\$ -	\$ -	\$ 12,258,000
Accrued Interest - Series 2021A	741,374	747,392	15,099	1,473,667
Developer Advances - Operating	60,955	54,963	-	125,918
Accrued interest - Operating	2,438	9,033	-	11,471
	<u>13,062,768</u>	<u>811,388</u>	<u>15,099</u>	<u>13,869,056</u>
	<u>\$ 13,062,768</u>	<u>\$ 811,388</u>	<u>\$ 15,099</u>	<u>\$ 13,869,056</u>

\* Estimate

**MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

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