

MORNINGVIEW METROPOLITAN DISTRICT

**2022 ANNUAL REPORT TO
CITY OF COLORADO SPRINGS**

Pursuant to the Service Plan for Morningview Metropolitan District the District is required to submit an annual report to the Director of the City’s Budget Department.

For the year ending December 31, 2022, the District makes the following report:

1. Boundary changes made or proposed to the District’s boundaries as of December 31 of the prior year.

There were no boundary changes made or proposed during the reporting year.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year.

None.

3. Copies of the District’s Rules and Regulations, if any, as of December 31 of the prior year.

Declaration of Covenants, Conditions and Restrictions for Morningview were recorded with the El Paso County Clerk and Recorder’s office on November 14, 2013. The Covenants are public record and can be found online or by request to the Clerk and Recorder’s office.

4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

There is no litigation, notices of claim, pending or threatened, against the District of which we are aware.

5. Status of the District’s construction of the Public Improvements as of December 31 of the prior year.

No new public improvements have been constructed or acquired by the District during the reporting period.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

No facilities or improvements were dedicated to the City during the reporting year.

7. The assessed valuation of the District for the current year.

Morningview Metropolitan District \$2,148,760

8. Current year budget including a description of the Public Improvements to be constructed in such year.

The District's 2023 Budget is attached hereto as **Exhibit A**. The District imposed mill levies in 2022 for collection in 2023 as follows: 11.453 mills for general operating expenses and 34.359 mills for general obligation bonds.

9. Audit of the District, and any entity formed by one or more of the District, and financial statements for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

Revenues and expenditures for the District were less than \$750,000 in 2022, and an exemption from audit for the report year was filed and granted in accordance with state law.

10. Notice of any uncured events of default by the District, which continues beyond a ninety (90) day period, under any Debt instrument.

None.

11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

None.

12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.

See attached **Exhibit B**.

Dated: July 28, 2023

SPENCER FANE LLP

/s/ David S. O'Leary
David S. O'Leary, Attorney for the District

**EXHIBIT A
(2023 BUDGET)**

DN 3161781.1

No assurance is provided. See summary of significant assumptions.

LETTER OF BUDGET TRANSMITTAL

Date: January 18, 2023

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

Attached are the 2023 budget and budget message for MORNINGVIEW METROPOLITAN DISTRICT in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 28, 2022. If there are any questions on the budget, please contact:

Carrie Bartow
CliftonLarsonAllen LLP
8390 Crescent Pkwy., Ste. 300
Greenwood Village, CO 80111
Tel.: (303) 779-5710

I, Bradley Dunton, as Secretary of the Morningview Metropolitan District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Bradley Dunton

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
MORNINGVIEW METROPOLITAN DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY 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 MORNINGVIEW METROPOLITAN DISTRICT, 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 Morningview Metropolitan District 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 28, 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 24,610; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$73,829; 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 \$0; 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; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$2,148,760; and

WHEREAS, at an election held on November 5, 2013, 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 MORNINGVIEW METROPOLITAN DISTRICT 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 Morningview Metropolitan District 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 11.453 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 34.359 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 0.000 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.

ADOPTED this 28th day of November, 2022.

MORNINGVIEW METROPOLITAN DISTRICT

Jeremy M Beckman

President

ATTEST:

Bradley Dunton

Secretary

Morningview Metropolitan District			
General Fund Budget			
Year Ended 12/31/2023			
Modified Accrual Basis	2021	2022	2023
		Total	Proposed
	Actual	Estimated	Budget
BEGINNING FUND BALANCE	\$ 7,847	\$ 14,636	\$ 17,880
REVENUES			
Homeowner Fees for Operations	14,700	15,000	9,800
Property Tax - Operations & Maintenance	21,896	24,604	24,610
Specific Ownership Tax	2,571	2,559	2,461
Net investment income - delinquent property tax	6	11	-
Setup Fee	150	750	750
Status Letter Fee	100	500	500
Total Revenues	39,423	43,424	38,121
EXPENDITURES			
Accounting	4,499	3,000	3,000
Legal	3,389	5,000	5,000
District Management	4,400	4,800	5,300
Setup Fee	150	750	750
Status Letter Fee	100	500	500
Dues & subscriptions - SDA	288	383	400
Insurance	2,527	2,527	2,600
Contingency	-	-	100
Property tax collection fee - 1.5% - Operations	329	369	369
Total General Management	15,682	17,329	18,019
Maintenance			
Landscape maintenance	5,112	5,400	6,000
Landscape water	5,948	7,000	7,000
Landscape Repairs	925	8,000	2,000
Landscape - tree replacement	4,428	1,000	7,000
Electric for irrigation system	114	200	200
Stormwater Control	425	1,251	1,200
Total Maintenance	16,952	22,851	23,400
Total Expenses	32,634	40,180	41,419
Excess of Revenues over Expenditures	6,789	3,244	(3,298)
Net change in Fund Balance	6,789	3,244	(3,298)
ENDING FUND BALANCE	\$ 14,636	\$ 17,880	\$ 14,582
Emergency Reserve - 3% of Revenues	1,200	1,303	1,144
Unrestricted Fund Balance	13,436	16,577	13,438

No assurance is provided. See summary of significant assumptions.

Morningview Metropolitan District			
Debt Service Fund Budget			
Year Ended 12/31/2023			
Modified Accrual Basis			
	2021	2022	2023
	12/31/2021	Estimated	Proposed Budget
BEGINNING FUND BALANCE	\$ 21,687	\$ 31,209	\$ 48,716
REVENUES			
Property Tax - Debt Service	65,685	73,813	73,829
Specific Ownership Tax - Debt Service	7,714	7,679	7,383
Interest on delinquent property tax paymen	19	33	-
Total Revenues	73,418	81,525	81,212
EXPENDITURES			
Interest on Bond	62,911	62,911	62,911
Principal payment on bond			2,000
Property tax collection fee - Debt Service	985	1,107	1,107
Total Expenditures	63,896	64,018	66,018
Excess of Revenues over Expenditures	9,522	17,507	15,194
Net Change in Fund Balance	9,522	17,507	15,194
ENDING FUND BALANCE	\$ 31,209	\$ 48,716	\$ 63,910
Bond Principal			\$ 1,187,000
Interest Rate			5.30%
Annual Interest			\$ 62,911

No assurance is provided. See summary of significant assumptions.

Morningview Metropolitan District			
Capital Fund Budget			
Year Ended 12/31/2023			
Modified Accrual Basis			
	2021	2022	2023
			Proposed
	12/31/2021	Estimated	Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property Tax - Contractual Obligations	-	-	-
Specific Ownership Tax - Contractual Obligations	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Property tax collection fee - Contractual Obligations	-	-	-
Total Expenditures	-	-	-
Excess of Revenues over Expenditures	-	-	-
Net Change in Fund Balance		-	-
	-		
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance is provided. See summary of significant assumptions.

Morningview Metropolitan District	
El Paso County, CO	
Property Taxes	
2022 Valuations for 2023 Taxes	344
	Total Adopted
Vacant Residential Land - Market Value	200
Percentage	30.0%
Assessed Value	60
Residential Land & Improvements - Market Value	30,907,335
Percentage	6.95%
Assessed Value	2,147,880
Commercial	2,818
Percentage	29.1%
Assessed Value	820
Public Utility state value	-
Percentage	29%
Assessed Value	-
Total Assessed Value - Final as of	2,148,760
Mill Levy - General Operating & Debt Service	45.812
2022 Property Tax to be paid in 2023	\$ 98,439
Tax based on Mill Levy for 2022	
Operations & Maintenance	\$ 24,610
Debt Service	\$ 73,829
Total	\$ 98,439
Mill Levy Charged in 2022	
Operations & Maintenance	11.453
Debt Service	34.359
Total	45.812

No assurance is provided. See summary of significant assumptions.

**Morningview Metropolitan District
El Paso County, CO
2023 Budget Message**

Morningview Metropolitan District (the District) is a quasi-municipal corporation and political subdivision of the state of Colorado, which was organized by order and decree of the District Court for El Paso County on November 14, 2013, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District undertakes its functions pursuant to the Service Plan dated July 11, 2013. The service area of the District is located entirely within the city of Colorado Springs, El Paso County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including water, sanitation, streets, safety protection, storm drainage, transportation, mosquito control, fire protection, TV relay and transmission, security, covenant enforcement and design review services, and parks and recreation facilities.

The District has no employees at this time and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

2023 BUDGET STRATEGY

GENERAL FUND

REVENUES

1. The homeowners will be assessed a \$200 annual fee to cover the shortfall of revenue over expenses in 2023.
2. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill levies are budgeted for Operations and Maintenance at 11.453 Mills.
3. Specific ownership taxes are budgeted at 10% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county.

GENERAL FUND

EXPENDITURES

1. Accounting fees include the costs of the accounting firm to review the financial statements, review and file the budget and to prepare annual financial statements for the audit.
2. Legal fees are estimated based on the annual requirements of the District.
3. District Management costs are estimated based on costs to manage the District.
4. Dues & subscriptions are the estimated SDA dues and office expenses.

**Morningview Metropolitan District
El Paso County, CO
2023 Budget Message**

**GENERAL FUND
EXPENDITURES - continued**

5. Insurance is the estimated charges from the Colorado Special Districts Property and Liability Pool insurance.
6. Contingency expense is budgeted for possible additional expenses.
7. A property tax collection fee is payable to the County at the rate of 1.5% of the property taxes collected, excluding specific ownership tax.
8. Landscape Maintenance and Water is the cost to maintain and water the landscaping, common areas and drainage systems.

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of revenues, excluding Developer Loan Proceeds.

CAPITAL FUND

1. No revenues or expenditures are budgeted in the Capital Fund for 2023.

DEBT SERVICE FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill levies are budgeted for Debt Service at 34.359 Mills.
2. Specific ownership taxes re budgeted at 10% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county

DEBT SERVICE FUND

EXPENDITURES

1. Interest is budgeted on the Bond that was issued in 2017, to the extent of available revenues.
2. A property tax collection fee is payable to the County at the rate of 1.5% of the property taxes collected, excluding specific ownership tax.

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis.
2. There are no operating or capital lease obligations of the District.
3. The District is authorized to issue General Obligation Debt, Revenue Debt and other Debt in an amount not to exceed \$2,000,000. There is a maximum 30 mill levy cap that applies to the District in connection with the Debt, subject to adjustment under the Gallagher provisions of the law.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the Morningview Metropolitan District,
(taxing entity)^A

the Board of Directors,
(governing body)^B

of the Morningview Metropolitan District,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,148,760 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: \$ 2,148,760 (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: 12/03/2022 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	11.453 mills	\$ 24,610
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	11.453 mills	\$ 24,610
3. General Obligation Bonds and Interest ^J	34.359 mills	\$ 73,829
4. Contractual Obligations ^K	_____ mills	\$ _____
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]	45.812 mills	\$ 98,439

Contact person: Seef Le Roux (Accountant for the District) Daytime phone: (719) 635-0330
Signed: _____ Title: Secretary

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: Public Improvements
Series: Limited Tax General Obligation Bond, Series 2017
Date of Issue: November 16, 2017
Coupon Rate: 5.300%
Maturity Date: December 1, 2055
Levy: 34.359
Revenue: \$73,829

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

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

- 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.

EXHIBIT B
(FINANCIAL ADVISOR CERTIFICATION)

CERTIFICATE OF THE EXTERNAL FINANCIAL CONSULTANT

February 28, 2017

The undersigned, on behalf of George K. Baum & Company, as external financial consultant (the "External Financial Consultant") in connection with the issuance by Morningview Metropolitan District, in the City of Colorado Springs, El Paso County, Colorado (the "District"), of its General Obligation Limited Tax Bonds, Series 2017 in the principal amount of \$1,237,000 respectively (the "Bonds") hereby certifies as set forth below.

The interest rate assigned to the Bonds represent a fair market interest rate as of the date hereof and are not higher than other comparable bonds, based on the External Financial Consultant's experience with obligations having similar features as the Bonds and sold within the current calendar year and based on the External Financial Consultant's experience with issuers having similar credit profiles as the District.

IN WITNESS WHEREOF, the undersigned, on behalf of the External Financial Consultant, has set his or her hand as of the date first written above.

GEORGE K. BAUM & COMPANY,
as External Financial Consultant

By 

Name Alan Matlosz

Title Senior Vice President