

**MERIDIAN METROPOLITAN DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**MERIDIAN METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Meridian Metropolitan District
Douglas County, Colorado

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Meridian Metropolitan District (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of December 31, 2022, and the respective changes in financial position and, where applicable cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Continuing Disclosure Information

The continuing disclosure information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Fiscal Group Partners, LLC".

Arvada, Colorado
June 6, 2023

BASIC FINANCIAL STATEMENTS

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 16,550,800	\$ 1,735,023	\$ 18,285,823
Cash and Investments - Restricted	2,275,957	-	2,275,957
Receivable - County Treasurer	61,848	-	61,848
Accounts Receivable	14,456	1,218,612	1,233,068
Prepaid Expense	53,964	53,964	107,928
Due from Other Governments	5,200	-	5,200
Property Taxes Receivable	9,848,531	-	9,848,531
Accrued Interest Receivable	99	33	132
Lease Receivable	36,407	12,136	48,543
Capital Assets, Not Being Depreciated	13,177,098	5,289,311	18,466,409
Capital Assets, Net	<u>10,086,884</u>	<u>27,123,800</u>	<u>37,210,684</u>
Total Assets	<u>52,111,244</u>	<u>35,432,879</u>	<u>87,544,123</u>
DEFERRED OUTFLOWS OF RESOURCES			
Cost of Refunding, Net	<u>554,570</u>	-	<u>554,570</u>
Total Deferred Outflows of Resources	<u>554,570</u>	-	<u>554,570</u>
LIABILITIES			
Accounts Payable	872,827	809,139	1,681,966
Retainage Payable	192,877	209,697	402,574
Due to Other Governments	3,500	-	3,500
Deposits	-	205,250	205,250
Accrued Interest Payable	164,703	-	164,703
Noncurrent Liabilities:			
Due Within One Year	3,230,000	-	3,230,000
Due in More Than One Year	<u>76,663,757</u>	-	<u>76,663,757</u>
Total Liabilities	<u>81,127,664</u>	<u>1,224,086</u>	<u>82,351,750</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenue	9,848,531	-	9,848,531
Deferred Amounts Related to Leases	<u>36,407</u>	<u>12,136</u>	<u>48,543</u>
Total Deferred Inflows of Resources	<u>9,884,938</u>	<u>12,136</u>	<u>9,897,074</u>
NET POSITION			
Net Investment in Capital Assets	-	32,413,111	32,413,111
Restricted for:			
Emergency Reserve	174,000	-	174,000
Debt Service	1,965,136	-	1,965,136
Unrestricted	<u>(40,485,924)</u>	<u>1,783,546</u>	<u>(38,702,378)</u>
Total Net Position	<u>\$ (38,346,788)</u>	<u>\$ 34,196,657</u>	<u>\$ (4,150,131)</u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental Activities:							
General Government	\$ 2,142,630	\$ 32,497	\$ 235,608	\$ 1,146,522	\$ (728,003)	\$ -	\$ (728,003)
Parks and Open Space Maintenance	3,175,585	-	-	-	(3,175,585)	-	(3,175,585)
Transfer of Public Improvements to Another Government	528,948	-	-	-	(528,948)	-	(528,948)
Interest on Long-Term Debt and Related Costs	2,139,941	-	-	-	(2,139,941)	-	(2,139,941)
Total Governmental Activities	<u>\$ 7,987,104</u>	<u>\$ 32,497</u>	<u>\$ 235,608</u>	<u>\$ 1,146,522</u>	(6,572,477)	-	(6,572,477)
Business-Type Activities:							
Water/Sewer Facilities	\$ 8,415,398	\$ 6,900,907	\$ -	\$ 390,040	-	(1,124,451)	(1,124,451)
Total Business-Type Activities	<u>\$ 8,415,398</u>	<u>\$ 6,900,907</u>	<u>\$ -</u>	<u>\$ 390,040</u>	-	(1,124,451)	(1,124,451)
GENERAL REVENUES							
Property Taxes					9,726,009	-	9,726,009
Specific Ownership Taxes					863,453	-	863,453
Net Investment Income					400,261	42,998	443,259
Other Revenues					126,187	16,201	142,388
Transfers					(890,000)	890,000	-
Total General Revenues and Transfers					<u>10,225,910</u>	<u>949,199</u>	<u>11,175,109</u>
CHANGES IN NET POSITION							
					3,653,433	(175,252)	3,478,181
Net Position - Beginning of Year					<u>(42,000,221)</u>	<u>34,371,909</u>	<u>(7,628,312)</u>
NET POSITION - END OF YEAR							
					<u>\$ (38,346,788)</u>	<u>\$ 34,196,657</u>	<u>\$ (4,150,131)</u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 914,416	\$ -	\$ 15,636,384	\$ 16,550,800
Cash and Investments - Restricted	174,000	2,101,957	-	2,275,957
Receivable - County Treasurer	33,361	28,487	-	61,848
Accounts Receivable	14,456	-	-	14,456
Due from Other Districts	5,200	-	-	5,200
Prepaid Expense	53,964	-	-	53,964
Property Taxes Receivable	5,330,499	4,518,032	-	9,848,531
Total Assets	\$ 6,525,896	\$ 6,648,476	\$ 15,636,384	\$ 28,810,756
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 283,642	\$ 605	\$ 588,580	\$ 872,827
Retainage Payable	-	-	192,877	192,877
Due to Other Districts	512	-	-	512
Due to County Treasurer	2,988	-	-	2,988
Total Liabilities	287,142	605	781,457	1,069,204
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	5,330,499	4,518,032	-	9,848,531
Total Deferred Inflows of Resources	5,330,499	4,518,032	-	9,848,531
FUND BALANCES				
Nonspendable:				
Prepaid Expense	53,964	-	-	53,964
Restricted for:				
Emergency Reserves	174,000	-	-	174,000
Debt Service	-	2,129,839	-	2,129,839
Committed:				
Capital Projects	-	-	823,799	823,799
Assigned to:				
Subsequent Year's Expenditures	299,056	-	-	299,056
Capital Projects	-	-	14,031,128	14,031,128
Unassigned	381,235	-	-	381,235
Total Fund Balances	908,255	2,129,839	14,854,927	17,893,021
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,525,896	\$ 6,648,476	\$ 15,636,384	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,263,982
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Cost of Refunding, Net	554,570
Accrued Interest Receivable	99
Lease Receivable	36,407
Deferred inflows of resources for leases are applicable to future periods, and, therefore, are not reported in the governmental funds.	
Deferred Inflows of Resources Related to Leases	(36,407)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest Payable	(164,703)
Bonds Payable, Net of Premium	(14,872,757)
Loan Payables	(65,021,000)
Net Position of Governmental Activities	\$ (38,346,788)

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 5,252,728	\$ 4,473,281	\$ -	\$ 9,726,009
Specific Ownership Taxes	466,354	397,099	-	863,453
Intergovernmental	235,608	-	-	235,608
In-Lieu Tax Fees	103	346	-	449
Building Lease	34,139	-	-	34,139
Miscellaneous Income	500	-	-	500
Net Investment Income	20,748	54,079	323,693	398,520
System Development Fees	-	-	894,878	894,878
Reimbursed Expenditures	70,813	-	251,644	322,457
Other Revenue	-	-	54,425	54,425
Total Revenues	<u>6,080,993</u>	<u>4,924,805</u>	<u>1,524,640</u>	<u>12,530,438</u>
EXPENDITURES				
Current:				
Accounting	64,628	-	-	64,628
Audit	7,050	-	-	7,050
Board Support	8,005	-	-	8,005
Consulting	7,487	-	-	7,487
Contract Services	355,202	-	-	355,202
Contingency	58	-	-	58
County Treasurer's Fees	78,954	67,222	-	146,176
Dues and Subscriptions	12,474	-	-	12,474
Electric and Gas	40,387	-	-	40,387
Engineering	1,365	-	221,385	222,750
Insurance	43,379	-	-	43,379
Irrigation	12,060	-	-	12,060
Legal	49,920	-	-	49,920
Maintenance	2,668,244	-	-	2,668,244
Materials	98,327	-	-	98,327
Office Overhead	45,154	-	-	45,154
Payroll Tax	367	-	-	367
Reimbursable Landscape Service	51,888	-	-	51,888
Support Management	-	-	87,133	87,133
Debt Service:				
Interest	-	2,048,760	-	2,048,760
Principal	-	3,157,000	-	3,157,000
Other	-	605	-	605
Capital Expenditures	-	-	6,901,732	6,901,732
Total Expenditures	<u>3,544,949</u>	<u>5,273,587</u>	<u>7,210,250</u>	<u>16,028,786</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,536,044	(348,782)	(5,685,610)	(3,498,348)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(2,080,000)	-	1,190,000	(890,000)
Total Other Financing Sources (Uses)	<u>(2,080,000)</u>	<u>-</u>	<u>1,190,000</u>	<u>(890,000)</u>
NET CHANGE IN FUND BALANCES	456,044	(348,782)	(4,495,610)	(4,388,348)
Fund Balances - Beginning of Year	452,211	2,478,621	19,350,537	22,281,369
FUND BALANCES - END OF YEAR	<u>\$ 908,255</u>	<u>\$ 2,129,839</u>	<u>\$ 14,854,927</u>	<u>\$ 17,893,021</u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ (4,388,348)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay	5,810,620
Depreciation Expense	(373,636)
Transfer of Public Improvements to Other Governments	(528,948)

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

Lease Receivable	36,407
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Loan Principal	2,932,000
Bond Principal	225,000

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.

Interest Income Related to Leases	99
Amortization of Deferred Inflows of Resources Related to Leases	(36,407)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability	6,027
Amortization of Bond Premium	28,171
Amortization of Cost of Bond Refunding	(57,552)

Changes in Net Position of Governmental Activities	\$ 3,653,433
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**MERIDIAN METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 5,260,201	\$ 5,252,728	\$ (7,473)
Specific Ownership Taxes	420,816	466,354	45,538
Intergovernmental	237,896	235,608	(2,288)
In-Lieu Tax Fees	103	103	-
Building Lease	33,389	34,139	750
Miscellaneous Income	500	500	-
Net Investment Income	1,600	20,748	19,148
Reimbursed Expenditures	67,000	70,813	3,813
Total Revenues	<u>6,021,505</u>	<u>6,080,993</u>	<u>59,488</u>
EXPENDITURES			
Accounting	67,463	64,628	2,835
Audit	9,500	7,050	2,450
Board Support	15,000	8,005	6,995
Consulting	10,000	7,487	2,513
Contingency	5,000	58	4,942
Contract Services	424,000	355,202	68,798
County Treasurer's Fees	78,903	78,954	(51)
Dues and Subscriptions	24,000	12,474	11,526
Electric and Gas	40,000	40,387	(387)
Engineering	10,000	1,365	8,635
Insurance	50,000	43,379	6,621
Irrigation	45,000	12,060	32,940
Legal	65,000	49,920	15,080
Maintenance	3,062,500	2,668,244	394,256
Materials	168,000	98,327	69,673
Office Overhead	43,500	45,154	(1,654)
Payroll Tax	450	367	83
Reimbursable Landscape Service	-	51,888	(51,888)
Total Expenditures	<u>4,118,316</u>	<u>3,544,949</u>	<u>573,367</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,903,189	2,536,044	632,855
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	<u>(2,080,000)</u>	<u>(2,080,000)</u>	-
Total Other Financing Uses	<u>(2,080,000)</u>	<u>(2,080,000)</u>	-
NET CHANGE IN FUND BALANCE	(176,811)	456,044	632,855
Fund Balance - Beginning of Year	<u>748,086</u>	<u>452,211</u>	<u>(295,875)</u>
FUND BALANCE - END OF YEAR	<u>\$ 571,275</u>	<u>\$ 908,255</u>	<u>\$ 336,980</u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2022**

ASSETS	<u>Enterprise</u>
CURRENT ASSETS	
Cash and Investments	\$ 1,457,672
Cash and Investments - DCC	277,351
Accounts Receivable	1,218,612
Accrued Interest Receivable	33
Prepaid Expense	53,964
Total Current Assets	<u>3,007,632</u>
NONCURRENT ASSETS	
Lease Receivable	12,136
Capital Assets:	
Construction in Progress	5,289,311
Conduit System	98,040
Water System	11,136,565
Wells	13,194,644
Wastewater Treatment Plant	11,332,486
Sewer System	9,481,050
Storm Water System	3,082,378
Less: Accumulated Depreciation	<u>(21,201,363)</u>
Total Capital Assets	<u>32,413,111</u>
Total Noncurrent Assets	<u>32,425,247</u>
Total Assets	<u><u>\$ 35,432,879</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	\$ 809,139
Retainage Payable	209,697
DCC Security Deposits	205,250
Total Current Liabilities	<u>1,224,086</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts Related to Leases	<u>12,136</u>
Total Deferred Inflows of Resources	12,136
NET POSITION	
Net Investment in Capital Assets	32,413,111
Unrestricted	<u>1,783,546</u>
Total Net Position	<u>34,196,657</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 35,432,879</u></u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2022**

	<u>Enterprise</u>
OPERATING REVENUES	
Service Charges	\$ 6,315,221
Lease Payments	<u>575,686</u>
Total Operating Revenues	<u>6,890,907</u>
OPERATING EXPENSES	
Cost of Services:	
Contract Services	2,319,399
Electric and Gas	949,287
Materials and Supplies	783,505
Operational Support	1,204,832
Water Purchase/Lease	414,645
Administration and General Expenses:	
Accounting	64,628
Audit	7,050
Conduit Maintenance	131,478
Dues and Subscriptions	7,797
Engineering and Consulting	285,276
Insurance	43,379
Legal	69,883
Office Overhead	25,981
Support Management	161,819
Capital Expenses	536,347
Depreciation	<u>1,183,935</u>
Total Operating Expenses	<u>8,189,241</u>
OPERATING INCOME (LOSS)	(1,298,334)
NONOPERATING REVENUES AND EXPENSES	
DCC Fees	10,000
Tap Fees	390,040
Net Investment Income	42,998
Other Income	16,201
DCC Expenditures	<u>(226,157)</u>
Total Nonoperating Revenues and Expenses	233,082
OTHER FINANCING SOURCES (USES)	
Transfers In (Out)	<u>890,000</u>
Total Other Financing Sources (Uses)	<u>890,000</u>
CHANGE IN NET POSITION	(175,252)
Total Net Position - Beginning of Year	<u>34,371,909</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 34,196,657</u></u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2022**

	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 6,733,421
Payments to Suppliers	(7,530,610)
Other Receipts	575,686
Prepaid Expenses	(53,739)
Net Cash Used by Operating Activities	(275,242)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other Revenue	411,241
Other Expenses	(226,157)
Payments to Other Funds	(24,950)
Transfers In (Out)	890,000
Net Cash Provided by Noncapital Financing Activities	1,050,134
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(2,140,878)
Payments for Contingent Liability	(275,000)
Net Cash Used by Capital and Related Financing Activities	(2,415,878)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	42,998
Net Cash Provided by Investing Activities	42,998
DECREASE IN CASH AND CASH EQUIVALENTS	(1,597,988)
Cash and Cash Equivalents - Beginning of Year	3,333,011
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,735,023
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (1,298,334)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	1,183,935
(Increase) Decrease in:	
Accounts Receivable	418,200
Prepaid Expense	(53,739)
Increase (Decrease) in:	
Accounts Payable	(522,105)
Retainage Payable	(3,199)
Net Cash Used by Operating Activities	\$ (275,242)

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Meridian Metropolitan District (the Original District) is a quasi-municipal corporation and political sub-division of the state of Colorado organized by order and decree of the District Court for Douglas County on September 30, 1980, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Original District's service area is located in Douglas County, Colorado. The Original District was organized to provide water and wastewater service, street construction, construction and maintenance of parks and recreation facilities, and public transportation. It derives its revenue principally from water and sewer sales and general property taxes.

On May 11, 2021, the Original District and North Meridian Metropolitan District (North Meridian) adopted a joint resolution to consolidate and operate as Meridian Metropolitan District (the District). The public health, safety, prosperity, and general welfare of the inhabitants of both the Original District and North Meridian will be better served by the District. The District, a quasi-municipal corporation and Political Subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on December 30, 2021. The Original District and North Meridian continued to exist as separate entities until December 31, 2021.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees, and contracts for all of its management and professional services.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The District reports the following major proprietary fund:

The Enterprise Fund accounts for operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transfers and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

Leases

The District determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the District's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The District has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the District has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Accounts Receivable, Allowance for Doubtful Accounts

User fees constitute a perpetual lien on or against the property served until paid. Such liens may be foreclosed upon as provided by the state of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of the net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Building/Equipment	25-50 Years
Infrastructure	30-50 Years
Parks and Recreation, Street Lights, Signage	15-50 Years
Water/Sewer System	40 Years
Conduit System	20 Years

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

Cost of Refunding

In the government-wide financial statements, the deferred cost of refunding is being amortized using the interest method over the life of the refunding loan. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Original Issue Premium

In the government-wide financial statements and proprietary fund types in the fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for reporting in this category. Accordingly, the items, *deferred property tax revenue* and *Deferred Amounts Related to Leases*, are deferred and recognized as inflows of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 18,285,823
Cash and Investments - Restricted	<u>2,275,957</u>
Total Cash and Investments	<u><u>\$ 20,561,780</u></u>

Cash and investments as of December 31, 2022 consist of the following:

Deposits with Financial Institutions	\$ 3,388,802
Investments	<u>17,172,978</u>
Total Cash and Investments	<u><u>\$ 20,561,780</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

PNC Bank Premium Business Money Market Account

The Loan Payment Fund monies that are included in the trust accounts at PNC Bank are invested in the Premium Business Money Market Account. This account is not actually a Money Market Mutual Fund, but a standard bank depository savings account held by PNC Bank, which is an eligible public depository in Colorado, so the account is held subject to the requirements of the PDPA.

At December 31, 2022, the District's cash deposits had a bank statement balance of \$3,609,558 and a carrying balance of \$3,388,802.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has adopted a formal investment policy which follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation.
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 17,172,978
		<u>\$ 17,172,978</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AA Af/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

The District holds all its investments in the COLOTRUST PLUS+ portfolio.

NOTE 4 LEASES RECEIVABLES

The District, acting as lessor, leases a building located at 12111 East Belford Avenue, Englewood, Colorado 80112 (the Building) to Shea Properties Management Company, Inc. under Amended and Restated Operations and Maintenance Facility Lease (the Lease Agreement). The Lease Agreement commenced on January 1, 2013, and will expire December 31, 2023. Shea Properties Management Company, Inc. is a related party (see Note 8).

The incremental borrowing rate at the commencement of the agreement was 3.25%. During 2022, the District recognized \$32,409 in lease revenue and \$1,642 in interest revenue in the governmental fund. The District recognized \$10,803 in lease revenue and \$547 in interest revenue in the enterprise fund.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 36,407	\$ 535	\$ 12,136	\$ 178	\$ 49,256
Total	\$ 36,407	\$ 535	\$ 12,136	\$ 178	\$ 49,256

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 842,552	\$ -	\$ -	\$ 842,552
Landscaping/Parks	3,191,655	-	-	3,191,655
Construction in Progress:				
Parks and Recreation	657,668	279,829	657,668	279,829
Street Intersection	738,121	1,247,311	489,367	1,496,065
Street Lights	748,181	-	748,181	-
Wastewater Treatment Plant	3,507,918	1,634,031	-	5,141,949
Water System Facilities	18,865	2,245,764	39,581	2,225,048
Total Capital Assets, Not Being Depreciated	9,704,960	5,406,935	1,934,797	13,177,098
Capital Assets, Being Depreciated:				
Building/Equipment	1,999,418	-	-	1,999,418
Conduit System	1,583,106	-	-	1,583,106
Parks and Recreation	3,732,158	1,061,353	-	4,793,511
Signage	4,221,253	-	-	4,221,253
Street Lights	1,989,016	748,181	-	2,737,197
Total Capital Assets, Being Depreciated	13,524,951	1,809,534	-	15,334,485
Less Accumulated Depreciation for:				
Building/Equipment	534,313	39,361	-	573,674
Conduit System	1,445,384	17,417	-	1,462,801
Parks and Recreation	1,360,526	118,934	-	1,479,460
Signage	686,894	133,925	-	820,819
Street Lights	846,848	63,999	-	910,847
Total Accumulated Depreciation	4,873,965	373,636	-	5,247,601
Total Capital Assets, Being Depreciated, Net	8,650,986	1,435,898	-	10,086,884
Governmental Activities Capital Assets, Net	<u>\$ 18,355,946</u>	<u>\$ 6,842,833</u>	<u>\$ 1,934,797</u>	<u>\$ 23,263,982</u>

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress:				
Water System Facilities	\$ 4,201,049	\$ 1,088,262	\$ -	\$ 5,289,311
Wells	1,079,010	1,052,616	2,131,626	-
Total Capital Assets, Not Being Depreciated	5,280,059	2,140,878	2,131,626	5,289,311
Capital Assets, Being Depreciated:				
Conduit System	98,040	-	-	98,040
Sewer System Facilities	9,481,050	-	-	9,481,050
Storm Water System	3,082,378	-	-	3,082,378
Wastewater Treatment Plant	11,332,486	-	-	11,332,486
Water System Facilities	11,136,565	-	-	11,136,565
Wells	11,063,018	2,131,626	-	13,194,644
Total Capital Assets, Being Depreciated	46,193,537	2,131,626	-	48,325,163
Less Accumulated Depreciation for:				
Conduit System	7,353	4,902	-	12,255
Sewer System Facilities	7,345,924	237,026	-	7,582,950
Storm Water System	539,416	77,060	-	616,476
Wastewater Treatment Plant	2,813,078	283,312	-	3,096,390
Water System Facilities	6,824,292	278,414	-	7,102,706
Wells	2,487,365	303,221	-	2,790,586
Total Accumulated Depreciation	20,017,428	1,183,935	-	21,201,363
Total Capital Assets, Being Depreciated, Net	26,176,109	947,691	-	27,123,800
Business-Type Activities Capital Assets, Net	<u>\$ 31,456,168</u>	<u>\$ 3,088,569</u>	<u>\$ 2,131,626</u>	<u>\$ 32,413,111</u>

Streets are recorded on the statements of the District until the local municipality accepts the completed streets for maintenance. After acceptance, the investment is transferred to the local municipality.

The District transferred the majority of its public infrastructure improvements to other entities for maintenance responsibility. The District is responsible for the repayment of bonds issued to construct the aforementioned improvements. Consequently, a deficit balance is reflected on the District's statement of net position. The historical value of all transferred improvements is \$33,546,497.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities

General Government	\$ 373,636
Total Depreciation Expense - Governmental Activities	\$ 373,636

Business-Type Activities

Conduit/Water/Sewer Facilities	\$ 1,183,935
Total Depreciation Expense - Business-Type Activities	\$ 1,183,935

NOTE 6 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable:					
Series 2017 Bonds	\$ 14,620,000	\$ -	\$ 225,000	\$ 14,395,000	\$ 235,000
Notes from Direct Borrowings and Direct Placements:					
Series 2020A Refunding Loan	52,901,000	-	2,283,000	50,618,000	2,333,000
Series 2020B Refunding Loan	9,139,000	-	394,000	8,745,000	402,000
Series 2020C Improvement Loan	5,913,000	-	255,000	5,658,000	260,000
Total Bonds/Loan Payable	82,573,000	-	3,157,000	79,416,000	\$ 3,230,000
Bond Premium - Series 2017	505,928	-	28,171	477,757	
Total Long-Term Obligations	\$ 83,078,928	\$ -	\$ 3,185,171	\$ 79,893,757	

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

The detail of the District's long-term obligations is as follows:

General Obligation Bonds – Series 2017

On November 14, 2017, the District issued General Obligation Bonds, Series 2017 in the amount of \$14,720,000 with interest rates of 3.50% to 5.00%, consisting of serial bonds in the amount of \$4,970,000 due annually through 2037, term bonds in the amount of \$2,995,000 due December 1, 2042 and term bonds in the amount of \$6,755,000 due December 1, 2047. The proceeds of these bonds will be used for public infrastructure within the District. The bonds maturing on or after December 1, 2028, are subject to redemption prior to maturity, at the option of the District, without redemption premium.

The Series 2017 bonds are insured by Assured Guaranty Municipal Corp. (AGM). At December 31, 2022, AGM was rated AA by Standard & Poor's and A1 by Moody's. The Series 2017 Bonds are not subject to acceleration and early termination. The Bonds do not have any unused lines of credit, and are not collateralized. Pursuant to the Bond Resolution, no events of default are described.

General Obligation Taxable (Convertible to Tax-Exempt) Refunding Loan (Series 2020A) (the 2020A Note), **General Obligation Taxable (Convertible to Tax-Exempt) Refunding Loan (Series 2020B)** (the 2020B Note and with the 2020A Note, the Refunding Notes) and **General Obligation Improvement Loan (Series 2020C)** (the 2020C Note, and together with the Refunding Notes, the 2020 Notes)

2020 Notes

The District entered into a Loan Agreement on March 24, 2020 with BBVA Mortgage Corporation (the Lender) which is evidenced by promissory notes the District issued in the amounts of \$54,616,000 for the 2020A Note, \$9,434,000 for the 2020B Note and \$6,013,000 for the 2020C Note.

Proceeds from the issuance of the Refunding Notes were used to: 1) advance refund the District's outstanding General Obligation Refunding Bonds, Series 2011A, that mature after December 1, 2021; 2) advance refund the District's outstanding General Obligation Refunding Bonds, Series 2011B, that mature after December 1, 2021; and 3) pay costs of issuance of the Refunding Notes. Proceeds from the issuance of the 2020C Note were used to: 1) pay for costs of certain improvements within the District; and 2) to pay costs of issuance of the 2020C Note.

Interest payments on the 2020 Notes are due on June 1 and December 1 (each an Interest Payment Date) of each year, beginning June 1, 2020, through and including the Maturity Date of December 1, 2040. Interest is calculated on the basis of a 360-day year and twelve 30-day months. Interest not paid when due shall remain due and owing, but shall not compound or bear additional interest. Principal on the 2020 Notes is due on December 1 of each year, beginning December 1, 2020, for the Refunding Notes and beginning December 1, 2021, for the 2020C Note.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

2020 Notes (Continued)

Prior to the 2020A Conversion Date, the 2020A Note bore interest at 2.74% (the 2020A Taxable Rate). Upon the Lender's receipt of a Conversion Opinion from Bond Counsel, beginning on the 2020A Conversion Date through and including the Maturity Date, the 2020A Note bears interest at 2.16% (the 2020A Tax-Exempt Rate). On September 2, 2021, the 2020A Note converted to the 2020A Tax-Exempt Rate.

Prior to the 2020B Conversion Date, the 2020B Note bore interest at 2.74% (the 2020B Taxable Rate). Upon the Lender's receipt of a Conversion Opinion from Bond Counsel, beginning on the 2020B Conversion Date through and including the Maturity Date, the 2020B Note bears interest at 2.16% (the 2020B Tax-Exempt Rate). On September 2, 2021, the 2020B Note converted to the 2020B Tax-Exempt Rate.

The 2020C Note bears interest at 2.16%. Upon any Determination of Taxability, the 2020C Note will bear interest at 2.74%.

The 2020 Notes do not have any unused lines of credit, and are collateralized by Pledged Revenue and all amounts from time to time credited to each Loan Payment Account.

Prepayment

The District may, at its option, prepay the 2020 Notes on any Interest Payment Date, as follows. If any of the 2020 Notes are prepaid prior to June 1, 2026, the prepayment price equals the principal amount of the 2020 Notes prepaid plus accrued interest to the date of prepayment together with the following prepayment penalty:

- (i) any applicable Yield Maintenance Fee that may apply; and
- (ii) the following applicable prepayment premium (expressed as a percentage of par):
 - a. through and including December 1, 2023, 3.00%;
 - b. June 1, 2024 and December 1, 2024, 2.00%
 - c. June 1, 2025 and December 1, 2025, 1.00%
 - d. June 1, 2026 and after, 0.00%.

If any of the 2020 Notes are prepaid on or after June 1, 2026, but prior to June 1, 2030, the prepayment price equals the principal amount of such 2020 Notes prepaid, plus accrued interest to the date of prepayment, together with any premium, which premium shall be limited to any applicable Yield Maintenance Fee that may apply. If any of the 2020 Notes are prepaid on or after June 1, 2030, the prepayment price equals the principal amount of such 2020 Notes prepaid, plus accrued interest to the date of prepayment, without premium or any prepayment penalty.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Prepayment (Continued)

The Yield Maintenance Fee is the Annual Yield Differential multiplied by the Percent Being Prepaid, multiplied by the Average Remaining Outstanding Principal Amount, multiplied by the number of days from the Prepayment Date through the Maturity Date, divided by 360. The Annual Yield Differential is the difference (but not less than zero) between (i) the U.S. Treasury constant maturity yield for the Closing Date, for a maturity that is the same as the Maturity Date as of the Closing Date, and (ii) the U.S. Treasury constant maturity yield for the Prepayment Date for a maturity that is the same as the remaining term of the Loan at the Prepayment Date. Percent Being Prepaid means the amount determined by dividing the principal amount of the Loan being prepaid by the unpaid principal balance of the Loan as of the Prepayment Date. Average Remaining Outstanding Principal Amount is the simple average of (i) the outstanding principal balance of the Loan being prepaid plus any accrued and unpaid fees as of the Prepayment Date, and (ii) the schedule principal amount of such Loan as of the Maturity Date.

Pledged Revenue

Pledged Revenue means the moneys derived by the District from the following sources, net of any costs of collection: (a) the Required Mill Levy; and (b) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Lender for deposit into the applicable Loan Payment Account.

Required Mill Levy

Property was excluded from the District in 1999 (the 1999 Excluded Property), from 2003 to 2006 (the 2003-2006 Excluded Property) and in 2012 (the 2012 Excluded Property, and collectively the Excluded Property). The District is required to impose a Required Mill Levy without limitation as to rate on all taxable property of:

- (A) the District (and the Excluded Property) each year in an amount which will generate tax revenues of not less than the Estimated Debt Requirements for the 2020A Note for the next fiscal year.
- (B) the District (which shall not include the 1999 Excluded Property) each year in an amount which will generate tax revenues of not less than the Estimated Debt Requirements for the 2020B Note for the next fiscal year.
- (C) the District each year in an amount which will generate tax revenues of not less than the Estimated Debt Requirements for the 2020C Note for the next fiscal year.
- (D) The District each year in an amount which will not generate tax revenues in excess of the maximum tax increase permitted by the District's electoral authorization.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default

The District's outstanding 2020 Notes from direct borrowings and direct placements related to governmental activities of \$68,844,000 contain a provision regarding certain events of default, for which acceleration is not a remedy. Upon the occurrence of an Event of Default, the Lender may apply all Pledged Revenue to the unpaid principal of the 2020 Notes and all interest accrued and unpaid. Events of default occur if the District does not impose the Required Mill Levy, does not make payments of principal and interest when due, and other customary terms and conditions consistent with normal municipal financings. The 2020 Notes are not subject to early termination and acceleration.

The District's long-term obligations will mature as follows:

Year Ending <u>December 31,</u>	Bonded Debt		Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2023	\$ 235,000	\$ 571,975	\$ 2,995,000	\$ 1,404,454	\$ 5,206,429
2024	240,000	562,575	3,059,000	1,339,762	5,201,337
2025	250,000	552,975	3,123,000	1,273,687	5,199,662
2026	260,000	542,975	3,195,000	1,206,230	5,204,205
2027	270,000	532,575	3,262,000	1,137,218	5,201,793
2028-2032	1,525,000	2,491,675	17,393,000	4,598,468	26,008,143
2033-2037	1,865,000	2,160,675	19,351,000	2,637,252	26,013,927
2038-2042	2,995,000	1,711,875	12,643,000	549,958	17,899,833
2043-2047	6,755,000	725,375	-	-	7,480,375
Total	<u>\$ 14,395,000</u>	<u>\$ 9,852,675</u>	<u>\$ 65,021,000</u>	<u>\$ 14,147,029</u>	<u>\$ 103,415,704</u>

Authorized Debt

On November 2, 2021, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount of \$512,000,000 for the financing of new improvements, \$500,000,000 for the purpose of debt refunding and \$300,000,000 for the purposes of revenue and special assessment.

At December 31, 2022, the District had authorized but unissued indebtedness remaining in the amounts of \$512,000,000 for the financing of new improvements, \$500,000,000 for the purposes of debt refunding and \$300,000,000 for revenue and special assessment.

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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

As of December 31, 2022, the District had net investment in capital assets calculated as follows:

	Governmental Activities	Business- Type Activities
Net Investment in Capital Assets:		
Capital Assets, Net	\$ -	\$ 32,413,111
Net Investment in Capital Assets	\$ -	\$ 32,413,111

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022 as follows:

	Governmental Activities	Business- Type Activities
Restricted Net Position:		
Emergencies	\$ 174,000	\$ -
Debt Service Reserve	1,965,136	-
Total Restricted Net Position	\$ 2,139,136	\$ -

The District has a deficit in unrestricted net position for governmental activities. The deficit amount in the governmental activities is a result of the District being responsible for repayment of bonds issued for public improvements which were conveyed to other governmental entities and to the Enterprise Fund and which costs were removed from the District's financial records.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 RELATED-PARTY TRANSACTIONS

The Developer of the property within the District is Shea Colorado, LLC and its affiliates (Shea, or Developer). Two of the five Board members of the District are employed by or provide services to a business or businesses that are involved with, may become involved with, or are directly and substantially affected by the activities of the District, and all Board members own real property that is located in the District. These relationships and ownerships, in certain circumstances, may give the appearance that conflicting interests could affect their official activities as Board members but as a general matter they do not disqualify them to serve as Board members. As and when required by law, each affected Board member files a written disclosure of any potential conflicts of interest with the District and the Colorado Secretary of State, and they refrain from voting on affected matters unless allowed by law.

The Developer, through various related entities, performs certain maintenance and management functions for the District and the District provides certain facilities to the Developer. During 2022, the District paid \$8,823,614 (including payments of \$808,895 for materials passed through to the District and \$2,358,213 for pass through items to subcontractors) to the Developer. At December 31, 2022, \$844,992 in related party amounts are included in accounts payable.

The District received payments from the Developer of approximately \$55,108 for the office building lease and utilities.

In 1984, the District and the Developer of the property at that time entered into an agreement pursuant to which the Developer purchases capacity in the District's water and sewer systems. The agreement has been amended several times and currently is contained in the October 3, 2000, Amended and Restated Water and Sewer Tap Purchase Agreement (the Tap Purchase Agreement) between the District and several developer entities. The Tap Purchase Agreement states that the Developer or its predecessors have made tap purchase payments to the District in the amount of \$61,403,590, and the Developer possessed the right to 4,017 taps, each representing a single family equivalent unit of capacity in the system. The Developer is required, upon the request of the District, to allocate and sell such taps to third parties desiring to connect to the system at prices and terms set forth in the Tap Purchase Agreement. In 2022, the Developer issued service and connection fees with a total value of \$1,343,847 that represents 116 taps. At December 31, 2022, the Developer did not possess the rights to any taps, and the District did not have any account payable for service and connection fees.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 AGREEMENTS

Connector Agreements

On October 1, 1998, the District and the Developer entered into an agreement whereby the District will provide water and sewer connections to a parcel of land south of the District's boundaries, which is the South Meridian Metropolitan District (South Meridian). The Developer of South Meridian will provide available water to the District's water supply system in sufficient volume to enable the District to make water taps available to the South Meridian property without using or impairing the water rights presently owned by the District. The South Meridian Developer will construct the needed lines and, upon completion, will convey them to the District for maintenance and operations. As permitted by the agreement, these responsibilities were assigned by the Developer to the South Meridian Metropolitan District, and restated in a Regional Facilities Agreement.

On June 6, 2000, the District entered into an agreement (restated June 1, 2003, and amended December 7, 2004) whereby the District will provide water and sewer connections to a parcel of land, which constitutes Meridian Village Metropolitan District No. 1 and Meridian Village Metropolitan District No. 2 (Meridian Village No. 1 and Meridian Village No. 2, respectively). Meridian Village No. 1 and Meridian Village No. 2 will make water available to the District's water supply system in sufficient volume to enable the District to make water connections available to the Meridian Village No. 1 and Meridian Village No. 2 properties without using or impairing the water rights presently owned by the District. Meridian Village No. 1 and Meridian Village No. 2 will construct the needed lines and, upon completion, will convey them to the District for maintenance and operations.

Covenant Obligations

Effective December 1, 2004, the District entered into an agreement regarding covenant obligations and support services with TCD North, Inc. (North), Meridian Associates East (MAE), Meridian Associates West (MAW), Meridian-MB Investments, LLC (Meridian-MB), the Design Control Committee of Meridian International Business Center (Meridian DCC), the Design Control Committee of Meridian Commons (Meridian Commons DCC) and the Design Control Committee of Meridian (North Area) (Meridian North DCC). The Design Control Committees were created to administer the protective covenants of properties which lie in the District's service area. With this agreement, North, MAE, MAW, and the Design Control Committees have delegated to the District the responsibility for the performance of certain functions and duties pursuant to the protective covenants. Due to North's familiarity and involvement with matters relating to the protective covenants, the parties agreed that North would continue to provide the services needed to administer the covenants. All of North's rights and obligations have been assigned to Shea (as defined in the Related-Party Transactions footnote). Design Control Committees will continue to bear responsibility for and exercise all the powers granted and/or assigned to them in the protective covenants.

Effective January 1, 2013, the agreement was updated to include provisions for the District to fund DCC to the extent that the service charges are not sufficient to cover the full cost of the operations. The agreement terminates on December 31, 2022. On January 1, 2023, the District entered into a new agreement through December 31, 2032.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 AGREEMENTS (CONTINUED)

Covenant Obligations (Continued)

For each calendar year following 2013, the management fee shall be \$15,000 per month increased by the Denver-Boulder CPI for the prior year for the duration of the obligation. The fees invoiced by Shea for 2022 were \$193,617.

At December 31, 2022, the District had \$277,351 in cash and investments related to the DCC covenant obligations comprised of payables and security deposits being held by the District.

Intergovernmental Agreement Between the Meridian Metropolitan District and the Board of County Commissioners of the County of Douglas Regarding Financial Contribution for The Havana Street & Meridian Boulevard Intersection Improvement Project

On April 12th, 2022, the District and the Board of County Commissioners of Douglas County (the County) entered into the Intergovernmental Agreement (the IGA) to cooperate in the design and construction of the Havana Street & Meridian Boulevard Intersection Improvement Project (the Project). Pursuant to the IGA, the District agrees to contribute up to \$200,000 for Construction Tasks and up to \$290,000 for In-Kind Contributions. During 2022, the District contributed \$489,367 (\$200,000 for Construction Tasks and \$289,367 for In-Kind Contributions) to the County for construction of the Project. In accordance with the IGA, if there are any unused funds from the In-Kind Contributions at the time of project completion, the County will reimburse the District for the remaining balance.

Interchange Agreement

On January 1, 2020, the District entered into an Agreement with Denver South Transportation Management Association (the TMA) to provide landscaping and related improvements for certain territory adjacent to or near the interchange of Interstate 25 and Lincoln Avenue located in the City of Lone Tree and in unincorporated Douglas County, Colorado (the Interchange). Pursuant to the Agreement, the District shall perform on an annual basis certain operations and maintenance responsibilities (the Base Services). In addition to the Base Services, the District shall consider and make recommendations to the TMA concerning additions, repairs, replacements and removal of the Improvements' landscaping and hardscaping materials and installations (the Added Services). The TMA agrees to fund the District for the annual costs of operation and maintenance of the Improvements. In 2022, the District received, from TMA, \$40,033 for Base Services and \$4,638 for Added Services. The Agreement was extended through 2022, and may continue to be exercised in future years.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 10 DISTRICT COST SHARING PARTICIPATION AGREEMENTS

South Metro Water Supply Authority

In 2000, the District signed a participation agreement for funding of the South Metro Water Supply Authority (SMWSA) to define water strategies to meet near and long-term water needs of the south metro area. In 2022, the District paid \$10,000 to SMWSA.

South Metro WISE Authority

On July 10, 2013, the District entered into the South Metro WISE (Water, Infrastructure, and Supply Efficiency) Authority Formation and Organizational Intergovernmental Agreement. This Agreement commits the District to participate in the WISE Partnership through the South Metro WISE Authority. The Agreement also defines how costs will be shared between participating members. The District has committed to subscribing to 300-acre feet (AF) out of a total of 7,225 AF (4.15%) of renewable water to be delivered annually from the WISE Partnership. Effective January 1, 2020, the District entered into a Second Amendment which increased the commitment to 775-acre feet (AF) out of a total of 10,000 AF (7.75%). During 2022, the District paid WISE \$73,625 for administrative costs.

The WISE Partnership entered into the WISE Partnership – Water Delivery Agreement between the city and county of Denver, acting by and through its Board of Water Commissioners, the city of Aurora acting by and through its Utility Enterprise, and the South Metro WISE Authority. The Water Delivery Agreement is the overarching agreement that defines the terms under which Denver and Aurora will deliver water to the South Metro WISE Authority members. There were engineering design and construction contracts required to transport water to be entered into by the South Metro WISE Authority during 2013, 2014, and 2015 in order to begin taking deliveries of water. The District was responsible for approximately \$3,200,000 in capital costs to transport water. As of December 31, 2022, the District has spent \$3,240,493 in capital costs.

Additionally, there will be subscription fees, WISE operations and maintenance costs, WISE capital costs, District variable pumping costs, and the District's share of operating and maintenance costs which will be billed based upon water delivered. As of December 31, 2022, water capacity expense totaled \$262,678. The District is responsible for paying its share of 7.75% of the WISE Operations based on the District's infrastructure capacity. Operational costs for 2022 are \$56,864.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Water Lease

The District has entered into a lease for water rights from the Developer, which together with water rights owned by the District, are sufficient to meet current demand within the District's service area. The original term of the lease is 50 years, 1982 through 2032, with two 35-year renewal options and provisions for annual adjustments. Total lease payments were \$413,846 for the year ended December 31, 2022.

Construction Commitments

As of December 31, 2022, the District had unexpended construction related contract commitments of \$824,899.

NOTE 13 REGIONAL FACILITIES AGREEMENTS

The District has entered into separate Regional Facilities Agreements (RFA), dated January 1, 1999, with South Meridian and North Meridian. The purpose of each RFA is to set forth the rights and obligations of North Meridian and South Meridian to issue indebtedness to fund, and for the District to construct, own or transfer, and operate and maintain, public facilities that benefit each district. The District is obligated to acquire all necessary water rights for the provision of water supply for the full estimated build out of North Meridian and South Meridian, and to manage construction of improvements and handle the books and records of each district. North Meridian and South Meridian are obligated to fund the improvements through limited tax obligation debt or other revenues that are legally available. Per the Consolidation Agreement the RFA was terminated with North Meridian (see Agreements footnote). At December 31, 2022, South Meridian owed the District \$5,200.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 14 TAX, SPENDING, AND DEBT LIMITATION

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 2, 2021, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District for 2021 and any year thereafter, without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an enterprise will require judicial interpretation.

NOTE 15 INTERFUND TRANSFERS

The transfer of \$1,190,000 from the General Fund to the Capital Projects Fund was to support budgeted capital expenditures.

The transfer of \$890,000 from the General Fund to the Enterprise Fund was to support \$680,000 and \$210,000 in budgeted capital and DCC expenditures, respectively.

SUPPLEMENTARY INFORMATION

**MERIDIAN METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 4,491,510	\$ 4,473,281	\$ (18,229)
Specific Ownership Taxes	359,321	397,099	37,778
In-Lieu Tax Fees	346	346	-
Net Investment Income	4,000	54,079	50,079
Total Revenues	<u>4,855,177</u>	<u>4,924,805</u>	<u>69,628</u>
EXPENDITURES			
Bond Interest	580,975	580,975	-
Loan Interest	1,467,785	1,467,785	-
Bond Principal	225,000	225,000	-
Loan Principal	2,932,000	2,932,000	-
Contingency	10,000	-	10,000
County Treasurer's Fees	67,373	67,222	151
Paying Agent Fees	1,500	605	895
Total Expenditures	<u>5,284,633</u>	<u>5,273,587</u>	<u>11,046</u>
NET CHANGE IN FUND BALANCE	(429,456)	(348,782)	80,674
Fund Balance - Beginning of Year	<u>2,485,645</u>	<u>2,478,621</u>	<u>(7,024)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,056,189</u></u>	<u><u>\$ 2,129,839</u></u>	<u><u>\$ 73,650</u></u>

**MERIDIAN METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
System Development Fees	\$ 2,450,000	\$ 894,878	\$ (1,555,122)
Net Investment Income	17,000	323,693	306,693
Reimbursed Expenditures	-	251,644	251,644
Other Revenue	-	54,425	54,425
Total Revenues	<u>2,467,000</u>	<u>1,524,640</u>	<u>(942,360)</u>
EXPENDITURES			
Support Management	87,133	87,133	-
Engineering	50,000	221,385	(171,385)
Capital Outlay:			
Streets/Sidewalks/Transportation:			
District Road Replacement and Rehab	300,000	278,323	21,677
Intersection Reconfiguration	600,000	591,141	8,859
Sidewalks	50,000	11,060	38,940
Station Site - Road	500,000	-	500,000
Streets Lights	500,000	362,042	137,958
Traffic Signals	-	656,170	(656,170)
Park:			
Landscaping and Walls	500,000	79,691	420,309
Multimodal	200,000	245,415	(45,415)
Park Upgrades	50,000	289,097	(239,097)
Station Site - Plaza	500,000	-	500,000
Trail Expansion	400,000	362,239	37,761
Water/Wastewater Facilities:			
Digester Repair/Upgrade	500,000	-	500,000
Lake Wall	600,000	1,063,639	(463,639)
Lift Station A Rebuild/Rehab	1,000,000	570,392	429,608
Meridian Water Campus	4,000,000	2,206,183	1,793,817
MS4 Permit	-	13,473	(13,473)
Painting/Coating Water/Sewage Facilities	50,000	30,135	19,865
Reclaimed Water Storage "LSH ASR Well"	500,000	-	500,000
Regional Wastewater/WWTP Upgrade	250,000	103,151	146,849
WISE Projects:			
WISE Infrastructure (Binney Connection)	132,911	39,581	93,330
Contingency	100,000	-	100,000
Total Expenditures	<u>10,870,044</u>	<u>7,210,250</u>	<u>3,659,794</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,403,044)	(5,685,610)	2,717,434
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	1,190,000	1,190,000	-
Total Other Financing Sources	<u>1,190,000</u>	<u>1,190,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(7,213,044)	(4,495,610)	2,717,434
Fund Balance - Beginning of Year	<u>18,784,883</u>	<u>19,350,537</u>	<u>565,654</u>
FUND BALANCE - END OF YEAR	<u>\$ 11,571,839</u>	<u>\$ 14,854,927</u>	<u>\$ 3,283,088</u>

**MERIDIAN METROPOLITAN DISTRICT
 PROPRIETARY FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Water Sales - Irrigation	\$ 1,500,000	\$ 1,500,000	\$ 1,357,468	\$ (142,532)
Water Sales - Potable	3,000,000	3,000,000	2,689,978	(310,022)
Sewer Sales	2,300,000	2,300,000	2,267,775	(32,225)
Tap Fees	-	-	390,040	390,040
Building Lease	11,130	11,130	10,803	(327)
Conduit Lease	430,144	430,144	564,883	134,739
Miscellaneous Income	-	-	125	125
Net Investment Income	2,400	4,400	42,998	38,598
Reimbursed Expenditures	1,500	1,500	16,076	14,576
DCC Fees	35,000	13,000	10,000	(3,000)
Total Revenues	<u>7,280,174</u>	<u>7,260,174</u>	<u>7,350,146</u>	<u>89,972</u>
EXPENDITURES				
Cost of Services:				
Contract Services	2,213,500	2,213,500	2,319,399	(105,899)
Electric and Gas	850,000	850,000	949,287	(99,287)
Materials and Supplies	660,000	660,000	783,505	(123,505)
Operational Support	1,312,500	1,312,500	1,204,832	107,668
Water Purchase/Lease	350,000	350,000	414,645	(64,645)
Administration and General Expenses:				
DCC Expenditures	223,617	233,617	226,157	7,460
Accounting	67,463	67,463	64,628	2,835
Audit	9,500	9,500	7,050	2,450
Conduit Maintenance	100,000	100,000	131,478	(31,478)
Dues and Subscriptions	13,350	13,350	7,797	5,553
Engineering and Consulting	900,000	900,000	285,276	614,724
Insurance	50,000	50,000	43,379	6,621
Legal	110,000	110,000	69,883	40,117
Office Overhead	31,500	31,500	25,981	5,519
Support Management	161,819	161,819	161,819	-
Capital Expenditures/Outlay:				
Capital Outlay	2,500,000	2,500,000	2,284,057	215,943
Water, Infrastructure, and Supply Efficiency	605,000	605,000	393,168	211,832
Total Expenditures	<u>10,158,249</u>	<u>10,168,249</u>	<u>9,372,341</u>	<u>795,908</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(2,878,075)	(2,908,075)	(2,022,195)	885,880
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	890,000	890,000	890,000	-
Total Other Financing Sources	<u>890,000</u>	<u>890,000</u>	<u>890,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)				
	<u>\$ (1,988,075)</u>	<u>\$ (2,018,075)</u>	<u>\$ (1,132,195)</u>	<u>\$ 885,880</u>

**MERIDIAN METROPOLITAN DISTRICT
 PROPRIETARY FUND
 RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2022**

	Actual
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) (BUDGETARY BASIS)	\$ (1,132,195)
Add:	
Current Year Capital Outlay	2,140,878
Deduct:	
Depreciation	(1,183,935)
CHANGE IN NET POSITION	(175,252)
Total Net Position - Beginning of Year	34,371,909
TOTAL NET POSITION - END OF YEAR	\$ 34,196,657

**MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

	\$14,720,000		
	General Obligation Bonds		
	Interest Rate - 3.50% to 5.00%		
	Series 2017		
	Dated November 14, 2017		
	Interest Payable		
	June 1 and December 1		
	Principal Payable December 1		
Bonds/Loans and Interest Maturing in the Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 235,000	\$ 571,975	\$ 806,975
2024	240,000	562,575	802,575
2025	250,000	552,975	802,975
2026	260,000	542,975	802,975
2027	270,000	532,575	802,575
2028	280,000	521,775	801,775
2029	295,000	510,575	805,575
2030	305,000	498,775	803,775
2031	315,000	486,575	801,575
2032	330,000	473,975	803,975
2033	345,000	460,775	805,775
2034	355,000	446,975	801,975
2035	375,000	432,775	807,775
2036	385,000	417,775	802,775
2037	405,000	402,375	807,375
2038	415,000	386,175	801,175
2039	440,000	365,425	805,425
2040	460,000	343,425	803,425
2041	480,000	320,425	800,425
2042	1,200,000	296,425	1,496,425
2043	1,260,000	236,425	1,496,425
2044	1,305,000	192,325	1,497,325
2045	1,350,000	146,650	1,496,650
2046	1,395,000	99,400	1,494,400
2047	1,445,000	50,575	1,495,575
Total	<u>\$ 14,395,000</u>	<u>\$ 9,852,675</u>	<u>\$ 24,247,675</u>

**MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2022**

Bonds/Loans and Interest Maturing in the Year Ending December 31,	\$54,616,000 General Obligation Tax-Exempt Refunding Loan Interest Rate - 2.16% Series 2020A Dated March 24, 2020 Interest Payable June 1 and December 1 Principal Payable December 1			\$9,434,000 General Obligation Tax-Exempt Refunding Loan Interest Rate - 2.16% Series 2020B Dated March 24, 2020 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total	Principal	Interest	Total
	2023	\$ 2,333,000	\$ 1,093,349	\$ 3,426,349	\$ 402,000	\$ 188,892
2024	2,380,000	1,042,956	3,422,956	413,000	180,209	593,209
2025	2,431,000	991,548	3,422,548	420,000	171,288	591,288
2026	2,487,000	939,038	3,426,038	430,000	162,216	592,216
2027	2,537,000	885,319	3,422,319	441,000	152,928	593,928
2028	2,592,000	830,520	3,422,520	450,000	143,402	593,402
2029	2,649,000	774,533	3,423,533	458,000	133,683	591,683
2030	2,708,000	717,315	3,425,315	466,000	123,790	589,790
2031	2,767,000	658,822	3,425,822	478,000	113,724	591,724
2032	2,824,000	599,054	3,423,054	488,000	103,399	591,399
2033	2,887,000	538,056	3,425,056	498,000	92,858	590,858
2034	2,946,000	475,697	3,421,697	511,000	82,102	593,102
2035	3,010,000	412,063	3,422,063	519,000	71,064	590,064
2036	3,078,000	347,047	3,425,047	531,000	59,854	590,854
2037	3,145,000	280,562	3,425,562	542,000	48,384	590,384
2038	3,212,000	212,631	3,424,631	556,000	36,677	592,677
2039	3,282,000	143,251	3,425,251	565,000	24,667	589,667
2040	3,350,000	72,360	3,422,360	577,000	12,463	589,463
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
2047	-	-	-	-	-	-
Total	<u>\$ 50,618,000</u>	<u>\$ 11,014,121</u>	<u>\$ 61,632,121</u>	<u>\$ 8,745,000</u>	<u>\$ 1,901,600</u>	<u>\$ 10,646,600</u>

**MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2022**

Bonds/Loans and Interest Maturing in the Year Ending December 31,	\$6,013,000 General Obligation Improvement Loan Interest Rate - 2.16% Series 2020C Dated March 24, 2020 Interest Payable June 1 and December 1 Principal Payable December 1					
	Principal Payable December 1			Total		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 260,000	\$ 122,213	\$ 382,213	\$ 3,230,000	\$ 1,976,429	\$ 5,206,429
2024	266,000	116,597	382,597	3,299,000	1,902,337	5,201,337
2025	272,000	110,851	382,851	3,373,000	1,826,662	5,199,662
2026	278,000	104,976	382,976	3,455,000	1,749,205	5,204,205
2027	284,000	98,971	382,971	3,532,000	1,669,793	5,201,793
2028	290,000	92,837	382,837	3,612,000	1,588,534	5,200,534
2029	296,000	86,573	382,573	3,698,000	1,505,364	5,203,364
2030	302,000	80,179	382,179	3,781,000	1,420,059	5,201,059
2031	309,000	73,656	382,656	3,869,000	1,332,777	5,201,777
2032	316,000	66,982	382,982	3,958,000	1,243,410	5,201,410
2033	323,000	60,156	383,156	4,053,000	1,151,845	5,204,845
2034	329,000	53,179	382,179	4,141,000	1,057,953	5,198,953
2035	337,000	46,073	383,073	4,241,000	961,975	5,202,975
2036	344,000	38,794	382,794	4,338,000	863,470	5,201,470
2037	351,000	31,363	382,363	4,443,000	762,684	5,205,684
2038	359,000	23,782	382,782	4,542,000	659,265	5,201,265
2039	367,000	16,027	383,027	4,654,000	549,370	5,203,370
2040	375,000	8,100	383,100	4,762,000	436,348	5,198,348
2041	-	-	-	480,000	320,425	800,425
2042	-	-	-	1,200,000	296,425	1,496,425
2043	-	-	-	1,260,000	236,425	1,496,425
2044	-	-	-	1,305,000	192,325	1,497,325
2045	-	-	-	1,350,000	146,650	1,496,650
2046	-	-	-	1,395,000	99,400	1,494,400
2047	-	-	-	1,445,000	50,575	1,495,575
Total	\$ 5,658,000	\$ 1,231,308	\$ 6,889,308	\$ 79,416,000	\$ 23,999,704	\$ 103,415,704

**MERIDIAN METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY,
AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy ⁽¹⁾		Mills Levied		Total Property Taxes		Percentage Collected to Levied
	General	Debt	General	Debt	Levied	Collected	
	Fund	Service	Fund	Service			
2014	\$ 144,616,280	\$ 157,288,322	24.000	22.000	\$ 6,931,133	\$ 6,814,506	98.3 %
2015	152,556,700	165,692,390	27.000	22.000	7,764,262	7,719,063	99.4
2016	159,824,190	177,800,520	29.000	21.000	8,489,971	8,294,579	97.7
2017	155,350,790	174,335,460	24.000	25.000	8,211,978	8,297,818	101.0
2018	190,588,200	212,505,240	24.250	25.260	10,072,736	10,007,151	99.3
2019	189,831,740	211,832,970	24.250	25.260	9,954,321	9,609,050	96.5
2020	185,423,880	210,887,570	24.250	25.260	10,134,134	10,043,728	99.1
2021	179,382,980	205,308,200	28.250	21.260	9,432,421	9,397,631	99.6
2022							
Debt Service		\$ 211,265,770		21.260	\$ 4,491,510	\$ 4,473,281	
Operational	\$ 183,027,170		28.740		5,260,201	5,241,476	
Operational (4417)	296,280		50.000		14,814	11,252	
					<u>\$ 9,766,525</u>	<u>\$ 9,726,009</u> ⁽²⁾	99.6 %
Estimated for Calendar Year December 31, 2023							
Debt Service		\$ 212,513,270		21.260	\$ 4,518,032		
Operational	\$ 185,473,160		28.740		5,330,499		
					<u>\$ 9,848,531</u>		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years or the abatement of taxes levied. Information received from the County Treasurer does not permit identification of a specific year of levy.

(1) Certain properties within the District are included for the debt service mill levy, but excluded for general fund purposes as a result of the residents electing to be excluded from the District's services.

(2) Balance collected includes tax abatements and refunds totaling \$2,714.

CONTINUING DISCLOSURE OBLIGATION

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2022**

**BUDGET SUMMARY AND COMPARISON
GENERAL FUND
(UNAUDITED)**

	2022		Variance	2023
	Final Budget	Actual		Budget
REVENUES				
Property Taxes	\$ 5,260,201	\$ 5,252,728	\$ (7,473)	\$ 5,330,499
Specific Ownership Taxes	420,816	466,354	45,538	479,745
Intergovernmental	237,896	235,608	(2,288)	245,059
In-Lieu Tax Fees	103	103	-	94
Building Lease	33,389	34,139	750	37,041
Miscellaneous Income	500	500	-	500
Net Investment Income	1,600	20,748	19,148	12,000
Reimbursed Expenditures	67,000	70,813	3,813	80,000
Total Revenues	<u>6,021,505</u>	<u>6,080,993</u>	<u>59,488</u>	<u>6,184,938</u>
EXPENDITURES				
Accounting and Audit	76,963	71,678	5,285	90,657
Board Support	15,000	8,005	6,995	15,000
Consulting	10,000	7,487	2,513	10,000
Contingency	5,000	58	4,942	5,757
Contract Services	424,000	355,202	68,798	515,000
County Treasurer's Fees	78,903	78,954	(51)	80,630
Dues and Subscriptions	24,000	12,474	11,526	24,000
Electric and Gas	40,000	40,387	(387)	65,000
Engineering	10,000	1,365	8,635	10,000
Insurance	50,000	43,379	6,621	50,000
Irrigation	45,000	12,060	32,940	30,000
Legal	65,000	49,920	15,080	65,000
Maintenance	3,062,500	2,668,244	394,256	3,150,000
Materials	168,000	98,327	69,673	165,000
Office Overhead	43,500	45,154	(1,654)	49,500
Payroll Tax	450	367	83	450
Reimbursable Landscape Service	-	51,888	(51,888)	58,000
Total Expenditures	<u>4,118,316</u>	<u>3,544,949</u>	<u>573,367</u>	<u>4,383,994</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,903,189	2,536,044	632,855	1,800,944
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(2,080,000)</u>	<u>(2,080,000)</u>	-	<u>(2,100,000)</u>
Total Other Financing Uses	<u>(2,080,000)</u>	<u>(2,080,000)</u>	-	<u>(2,100,000)</u>
NET CHANGE IN FUND BALANCES	(176,811)	456,044	632,855	(299,056)
Fund Balances - Beginning of Year	<u>748,086</u>	<u>452,211</u>	<u>(295,875)</u>	<u>706,037</u>
FUND BALANCES - END OF YEAR	<u>\$ 571,275</u>	<u>\$ 908,255</u>	<u>\$ 336,980</u>	<u>\$ 406,981</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

**BUDGET SUMMARY AND COMPARISON
DEBT SERVICE FUND
(UNAUDITED)**

	2022		Variance	2023
	Final Budget	Actual		Budget
REVENUES				
Property Taxes	\$ 4,491,510	\$ 4,473,281	\$ (18,229)	\$ 4,518,032
Specific Ownership Taxes	359,321	397,099	37,778	406,623
In-Lieu Tax Fees	346	346	-	315
Net Investment Income	4,000	54,079	50,079	40,000
Total Revenues	<u>4,855,177</u>	<u>4,924,805</u>	<u>69,628</u>	<u>4,964,970</u>
EXPENDITURES				
County Treasurer's Fees	67,373	67,222	151	67,770
Bond Principal	225,000	225,000	-	235,000
Bond Interest	580,975	580,975	-	571,975
Loan Principal	2,932,000	2,932,000	-	2,995,000
Loan Interest	1,467,785	1,467,785	-	1,404,454
Paying Agent Fees	1,500	605	895	-
Contingency	10,000	-	10,000	10,000
Total Expenditures	<u>5,284,633</u>	<u>5,273,587</u>	<u>11,046</u>	<u>5,284,199</u>
NET CHANGE IN FUND BALANCES	(429,456)	(348,782)	80,674	(319,229)
Fund Balances - Beginning of Year	<u>2,485,645</u>	<u>2,478,621</u>	<u>(7,024)</u>	<u>2,109,865</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,056,189</u>	<u>\$ 2,129,839</u>	<u>\$ 73,650</u>	<u>\$ 1,790,636</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

**BUDGET SUMMARY AND COMPARISON
CAPITAL PROJECTS FUND
(UNAUDITED)**

	2022		Variance	2023
	Final Budget	Actual		Budget
REVENUES				
Net Investment Income	\$ 17,000	\$ 323,693	\$ 306,693	\$ 130,000
Reimbursed Expenditures	-	251,644	251,644	-
System Development Fees	2,450,000	894,878	(1,555,122)	2,710,000
Other Revenue	-	54,425	54,425	-
Total Revenues	<u>2,467,000</u>	<u>1,524,640</u>	<u>(942,360)</u>	<u>2,840,000</u>
EXPENDITURES				
Contingency	-	-	-	99,154
Support Management	87,133	87,133	-	88,876
Engineering	50,000	221,385	(171,385)	100,000
Capital Outlay	10,732,911	6,901,732	3,831,179	13,350,000
Total Expenditures	<u>10,870,044</u>	<u>7,210,250</u>	<u>3,659,794</u>	<u>13,638,030</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,403,044)	(5,685,610)	2,717,434	(10,798,030)
OTHER FINANCING SOURCES AND (USES)				
Transfers In (Out)	1,190,000	1,190,000	-	1,850,000
Total Other Financing Sources	<u>1,190,000</u>	<u>1,190,000</u>	<u>-</u>	<u>1,850,000</u>
NET CHANGE IN FUND BALANCES	(7,213,044)	(4,495,610)	2,717,434	(8,948,030)
Fund Balances - Beginning of Year	<u>18,784,883</u>	<u>19,350,537</u>	<u>565,654</u>	<u>12,417,601</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 11,571,839</u></u>	<u><u>\$ 14,854,927</u></u>	<u><u>\$ 3,283,088</u></u>	<u><u>\$ 3,469,571</u></u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GENERAL FUND
(UNAUDITED)**

	2018	2019	2020	2021	2022
REVENUES					
Property Taxes	\$ 4,628,029	\$ 4,434,306	\$ 4,596,243	\$ 5,035,627	\$ 5,252,728
Specific Ownership Taxes	486,479	487,019	400,163	486,391	466,354
Intergovernmental	177,096	179,617	245,047	231,780	235,608
In-Lieu Tax Fees	117	142	142	142	103
Building Lease	30,568	31,485	32,353	32,985	34,139
Miscellaneous Income	8,272	1,260	570	500	500
Net Investment Income	23,574	4,862	3,417	5,645	20,748
Reimbursed Expenditures	13,052	10,809	65,427	102,265	70,813
Total Revenues	<u>5,367,187</u>	<u>5,149,500</u>	<u>5,343,362</u>	<u>5,895,335</u>	<u>6,080,993</u>
EXPENDITURES					
Accounting and Audit	42,780	63,939	63,868	70,061	71,678
Board Support	13,392	10,375	9,976	11,805	8,005
Community Events	31,822	28,739	2,500	562	-
Contingency	2,337	-	-	-	58
Contract Services	171,181	247,117	258,809	229,924	355,202
County Treasurer's Fees	69,592	70,257	68,999	75,650	78,954
Dues and Subscriptions	24,325	17,367	19,392	16,136	12,474
Electric and Gas	45,681	49,517	30,678	40,631	40,387
Engineering and Consulting	44,125	5,366	4,380	10,101	8,852
Global Information Services	39,900	25,750	21,120	-	-
Insurance	43,106	44,998	42,614	42,145	43,379
Irrigation	34,700	14,814	24,353	14,277	12,060
Legal	38,653	23,742	36,598	63,107	49,920
Maintenance	2,128,481	2,309,871	2,299,770	2,523,529	2,668,244
Materials	114,022	111,041	99,052	70,372	98,327
Office Overhead	34,137	33,149	38,564	43,269	45,154
Payroll Tax	344	398	451	834	367
Reimbursable Landscape Service	-	-	-	58,350	51,888
Total Expenditures	<u>2,878,578</u>	<u>3,056,440</u>	<u>3,021,124</u>	<u>3,270,753</u>	<u>3,544,949</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,488,609	2,093,060	2,322,238	2,624,582	2,536,044
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	(2,250,000)	(2,350,000)	(1,500,000)	(2,900,000)	(2,080,000)
Government Merger	-	-	-	(639,657)	-
Total Other Financing Sources (Uses)	<u>(2,250,000)</u>	<u>(2,350,000)</u>	<u>(1,500,000)</u>	<u>(3,539,657)</u>	<u>(2,080,000)</u>
NET CHANGE IN FUND BALANCES	238,609	(256,940)	822,238	(915,075)	456,044
Fund Balances - Beginning of Year	<u>563,379</u>	<u>801,988</u>	<u>545,048</u>	<u>1,367,286</u>	<u>452,211</u>
FUND BALANCES - END OF YEAR	<u>\$ 801,988</u>	<u>\$ 545,048</u>	<u>\$ 1,367,286</u>	<u>\$ 452,211</u>	<u>\$ 908,255</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - DEBT SERVICE FUND
(UNAUDITED)**

	2018	2019	2020	2021	2022
REVENUES					
Property Taxes	\$ 5,379,123	\$ 5,174,744	\$ 5,447,485	\$ 4,362,004	\$ 4,473,281
Specific Ownership Taxes	578,719	510,368	473,983	421,239	397,099
In-Lieu Tax Fees	350	425	426	426	346
Net Investment Income	30,364	21,094	15,216	8,632	54,079
Other Revenue	-	-	200,255	-	-
Total Revenues	<u>5,988,556</u>	<u>5,706,631</u>	<u>6,137,365</u>	<u>4,792,301</u>	<u>4,924,805</u>
EXPENDITURES					
County Treasurer's Fees	80,868	73,924	81,801	65,519	67,222
Debt Service	5,295,248	5,269,464	5,091,572	5,195,461	5,206,365
Total Expenditures	<u>5,376,116</u>	<u>5,343,388</u>	<u>5,173,373</u>	<u>5,260,980</u>	<u>5,273,587</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	612,440	363,243	963,992	(468,679)	(348,782)
OTHER FINANCING SOURCES (USES)					
Loan Issuance	-	-	70,063,000	-	-
Payment to Refunding Escrow Agent	-	-	(63,924,095)	-	-
Transfers In (Out)	-	-	(5,982,142)	-	-
Government Merger	-	-	-	12	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>156,763</u>	<u>12</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	612,440	363,243	1,120,755	(468,667)	(348,782)
Fund Balances - Beginning of Year	<u>850,850</u>	<u>1,463,290</u>	<u>1,826,533</u>	<u>2,947,288</u>	<u>2,478,621</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,463,290</u>	<u>\$ 1,826,533</u>	<u>\$ 2,947,288</u>	<u>\$ 2,478,621</u>	<u>\$ 2,129,839</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUND
(UNAUDITED)**

	2018	2019	2020	2021	2022
REVENUES					
Net Investment Income	\$ 490,305	\$ 502,586	\$ 150,388	\$ 9,549	\$ 323,693
Reimbursed Expenditures	42,372	-	-	523,000	251,644
Storm Facility Reimbursement	-	-	-	714,126	-
System Development Fees	-	-	790,482	2,449,255	894,878
Other Revenue	48,066	244,512	649,616	-	54,425
Total Revenues	<u>580,743</u>	<u>747,098</u>	<u>1,590,486</u>	<u>3,695,930</u>	<u>1,524,640</u>
EXPENDITURES					
Support Management	69,755	77,661	75,440	79,212	87,133
Engineering	-	-	-	135,240	221,385
Capital Outlay	1,893,545	5,448,587	8,617,942	5,446,171	6,901,732
Total Expenditures	<u>1,963,300</u>	<u>5,526,248</u>	<u>8,693,382</u>	<u>5,660,623</u>	<u>7,210,250</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(1,382,557)	(4,779,150)	(7,102,896)	(1,964,693)	(5,685,610)
OTHER FINANCING SOURCES AND (USES)					
Transfers In (Out)	2,100,000	2,200,000	7,332,142	2,100,000	1,190,000
Government Merger	-	-	-	37,717	-
Total Other Financing Sources	<u>2,100,000</u>	<u>2,200,000</u>	<u>7,332,142</u>	<u>2,137,717</u>	<u>1,190,000</u>
NET CHANGE IN FUND BALANCES	717,443	(2,579,150)	229,246	173,024	(4,495,610)
Fund Balances - Beginning of Year	<u>20,809,974</u>	<u>21,527,417</u>	<u>18,948,267</u>	<u>19,177,513</u>	<u>19,350,537</u>
FUND BALANCES - END OF YEAR	<u>\$ 21,527,417</u>	<u>\$ 18,948,267</u>	<u>\$ 19,177,513</u>	<u>\$ 19,350,537</u>	<u>\$ 14,854,927</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

**FIVE YEAR HISTORY OF ASSESSED VALUATIONS FOR THE DISTRICT
(UNAUDITED)**

Levy/ Collection Year	Property Within the District and the 2003-06 & 2012 Excluded Property (Loan 2020B Property)		1999 Excluded Property		Total (Loan 2020A Property)	Property Consolidated from North Meridian	
	Assessed Valuation	Percent Change	Assessed Valuation	Percent Change	Assessed Valuation	Assessed Valuation	Percent Change
2018/2019	\$ 198,518,060	-0.4%	\$ 13,314,910	0.4%	\$ 211,832,970	\$ -	-
2019/2020	195,359,820	-2.3%	15,527,750	15.7%	210,887,570	-	-
2020/2021	189,351,850	-3.1%	15,956,350	2.8%	205,308,200	841,710	-
2021/2022	193,834,050	2.4%	17,431,720	9.2%	211,265,770	296,280	-64.8%
2022/2023	195,984,160	1.1%	16,529,110	-5.2%	212,513,270	-	na

All taxable property of the District is subject to levy for the purpose of paying the principal and interest on the 2020A Loan. All taxable property of the District except for the 1999 Excluded Property (taxing authority 4406) is subject to levy for the purpose of paying the principal and interest on the 2020B Loan.

FIVE YEAR HISTORY OF MILL LEVIES FOR THE DISTRICT

Levy/ Collection Year	Property Within the District and the 2003-06 Excluded Property				1999 Excluded Property	Property Consolidated from North Meridian
	General Fund	Debt Service	Special Abatement	Total	Debt Service	General Fund
2018/2019	24.250	25.260	-	49.510	25.260	-
2019/2020	24.250	25.260	1.675	51.185	25.260	-
2020/2021	28.250	21.260	-	49.510	21.260	50.000
2021/2022	28.740	21.260	-	50.000	21.260	50.000
2021/2023	28.740	21.260	-	50.000	21.260	-

**FIVE YEAR HISTORY OF PROPERTY TAX COLLECTIONS FOR THE DISTRICT
(UNAUDITED)**

Levy/ Collection Year	Property Within the District and the 2003-06 & 2012 Excluded Property			1999 Excluded Property			Property Consolidated from North Meridian		
	Taxes Levied	Current Tax Collections	Collection Rate	Taxes Levied	Current Tax Collections	Collection Rate	Taxes Levied	Current Tax Collections	Collection Rate
2017/2018	\$ 9,731,156	\$ 9,666,495	99.34%	\$ 341,580	\$ 340,657	99.73%	\$ -	\$ -	-
2018/2019	9,617,985	9,273,807	96.42%	336,335	335,243	99.68%	-	-	-
2019/2020	9,741,902	9,652,581	99.08%	392,232	391,147	99.72%	-	-	-
2020/2021	9,093,190	9,031,324	99.32%	339,232	339,232	100.00%	52,733	27,075	51.34%
2021/2022	9,381,113	9,344,158	99.61%	370,598	370,599	100.00%	14,814	11,252	75.96%

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

TEN LARGEST TAXPAYERS IN THE DISTRICT FOR 2022

Taxpayer Name	Assessed Valuation	Percentage of Total Assessed Valuation
Echostar	\$ 13,352,150	6.28%
AGNL Engineering LLC	12,680,810	5.97%
Meridian Office Partners LLC	11,282,780	5.31%
Teletech Services Corporation	9,387,210	4.42%
Liberty Property Holdings Lot 7A-2 LLC	8,428,950	3.97%
Liberty Industrial LLC	7,033,060	3.31%
Denver Meridian Gateway Equities LLC	5,651,870	2.66%
Maroon Englewood LLC	5,471,960	2.57%
St Paul Fire & Marine Insurance Company	5,323,530	2.51%
Toastmasters International	4,722,520	2.22%
	<u>\$ 83,334,840</u>	<u>39.22%</u>

2022 ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT

Property Class	Property Within the District and the 2003-06 & 2012 Excluded Property		1999 Excluded Property	
	Total Assessed Valuation	Percent of Total Assessed Valuation	Total Assessed Valuation	Percent of Total Assessed Valuation
Commercial	\$ 137,317,400	70.07%	\$ -	0.00%
Personal	32,970,230	16.82%	578,290	3.50%
Vacant	2,831,900	1.44%	-	0.00%
Industrial	12,459,610	6.36%	-	0.00%
State Assessed	67,400	0.03%	4,400	0.03%
Residential	10,317,210	5.26%	15,946,420	96.47%
Agricultural	20,410	0.01%	-	0.00%
	<u>\$ 195,984,160</u>	<u>100.00%</u>	<u>\$ 16,529,110</u>	<u>100.00%</u>