

MERIDIAN METROPOLITAN DISTRICT
Douglas County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

**MERIDIAN METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2021**

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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, 2021, 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, 2021, 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.

Fiscus Focus Partners, LLC

Greenwood Village, Colorado
September 22, 2022

BASIC FINANCIAL STATEMENTS

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 20,986,812	\$ 3,333,011	\$ 24,319,823
Cash and Investments - Restricted	2,653,868	-	2,653,868
Receivable - County Treasurer	64,082	-	64,082
Accounts Receivable	259,889	1,636,845	1,896,734
Prepaid Expense	225	225	450
Due from Other Funds	24,950	-	24,950
Due from Other Governments	2,685	-	2,685
Property Taxes Receivable	9,766,525	-	9,766,525
Capital Assets, Not Being Depreciated	9,704,960	5,280,059	14,985,019
Capital Assets, Net	<u>8,650,986</u>	<u>26,176,109</u>	<u>34,827,095</u>
Total Assets	52,114,982	36,426,249	88,541,231
DEFERRED OUTFLOWS OF RESOURCES			
Cost of Refunding, Net	<u>612,122</u>	-	<u>612,122</u>
Total Deferred Outflows of Resources	612,122	-	612,122
LIABILITIES			
Accounts Payable	1,486,735	1,331,244	2,817,979
Contingent Liability	-	275,000	275,000
Retainage Payable	224,407	212,896	437,303
Due to Other Funds	-	24,950	24,950
Deposits	-	210,250	210,250
Accrued Interest Payable	170,730	-	170,730
Noncurrent Liabilities:			
Due Within One Year	3,157,000	-	3,157,000
Due in More Than One Year	<u>79,921,928</u>	-	<u>79,921,928</u>
Total Liabilities	84,960,800	2,054,340	87,015,140
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenue	<u>9,766,525</u>	-	<u>9,766,525</u>
Total Deferred Inflows of Resources	<u>9,766,525</u>	-	<u>9,766,525</u>
NET POSITION			
Net Investment in Capital Assets	-	31,456,168	31,456,168
Restricted for:			
Emergency Reserve	167,000	-	167,000
Debt Service	2,307,891	-	2,307,891
Unrestricted	<u>(44,475,112)</u>	<u>2,915,741</u>	<u>(41,559,371)</u>
Total Net Position	<u><u>\$ (42,000,221)</u></u>	<u><u>\$ 34,371,909</u></u>	<u><u>\$ (7,628,312)</u></u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 1,317,519	\$ 32,985	\$ 231,780	\$ 3,686,381	\$ 2,633,627	\$ -	\$ 2,633,627
Parks and Open Space Maintenance	2,649,852	-	-	-	(2,649,852)	-	(2,649,852)
Transfer of Public Improvements to Another Government	3,829,926	-	-	-	(3,829,926)	-	(3,829,926)
Transfer of Capital Assets to the Enterprise Fund	3,689,587	-	-	-	(3,689,587)	-	(3,689,587)
Interest on Long-Term Debt and Related Costs	2,491,291	-	-	-	(2,491,291)	-	(2,491,291)
Total Governmental Activities	<u>\$ 13,978,175</u>	<u>\$ 32,985</u>	<u>\$ 231,780</u>	<u>\$ 3,686,381</u>	(10,027,029)	-	(10,027,029)
Business-Type Activities:							
Water/Sewer Facilities	<u>\$ 8,214,750</u>	<u>\$ 7,114,525</u>	<u>\$ -</u>	<u>\$ 3,689,587</u>	-	2,589,362	2,589,362
Total Business-Type Activities	<u>\$ 8,214,750</u>	<u>\$ 7,114,525</u>	<u>\$ -</u>	<u>\$ 3,689,587</u>	-	2,589,362	2,589,362
GENERAL REVENUES							
Property Taxes					9,397,631	-	9,397,631
Specific Ownership Taxes					907,630	-	907,630
Net Investment Income					23,826	3,101	26,927
Other Revenues					103,333	1,005	104,338
Transfers					(800,000)	800,000	-
Total General Revenues and Transfers					<u>9,632,420</u>	<u>804,106</u>	<u>10,436,526</u>
CHANGES IN NET POSITION					(394,609)	3,393,468	2,998,859
Net Position - Beginning of Year					(41,605,612)	30,978,441	(10,627,171)
NET POSITION - END OF YEAR					<u>\$ (42,000,221)</u>	<u>\$ 34,371,909</u>	<u>\$ (7,628,312)</u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 313,093	\$ -	\$ 20,673,719	\$ 20,986,812
Cash and Investments - Restricted	167,000	2,449,130	37,738	2,653,868
Receivable - County Treasurer	34,341	29,741	-	64,082
Accounts Receivable	259,889	-	-	259,889
Due from South Meridian MD	2,385	300	-	2,685
Due from Other Funds	24,950	-	-	24,950
Prepaid Expense	225	-	-	225
Property Taxes Receivable	5,275,015	4,491,510	-	9,766,525
Total Assets	<u>\$ 6,076,898</u>	<u>\$ 6,970,681</u>	<u>\$ 20,711,457</u>	<u>\$ 33,759,036</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 349,672	\$ 550	\$ 1,136,513	\$ 1,486,735
Retainage Payable	-	-	224,407	224,407
Total Liabilities	<u>349,672</u>	<u>550</u>	<u>1,360,920</u>	<u>1,711,142</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	5,275,015	4,491,510	-	9,766,525
Total Deferred Inflows of Resources	<u>5,275,015</u>	<u>4,491,510</u>	<u>-</u>	<u>9,766,525</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expense	225	-	-	225
Restricted for:				
Emergency Reserves	167,000	-	-	167,000
Debt Service	-	2,478,621	-	2,478,621
Committed:				
Capital Projects	-	-	830,514	830,514
Assigned to:				
Subsequent Year's Expenditures	176,811	-	-	176,811
Capital Projects	-	-	18,520,023	18,520,023
Unassigned	108,175	-	-	108,175
Total Fund Balances	<u>452,211</u>	<u>2,478,621</u>	<u>19,350,537</u>	<u>22,281,369</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,076,898</u>	<u>\$ 6,970,681</u>	<u>\$ 20,711,457</u>	
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.				18,355,946
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				612,122
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				(170,730)
Bonds Payable, Net of Premium				(15,125,928)
Loan Payables				(67,953,000)
Net Position of Governmental Activities				<u>\$ (42,000,221)</u>

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, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 5,035,627	\$ 4,362,004	\$ -	\$ 9,397,631
Specific Ownership Taxes	486,391	421,239	-	907,630
Intergovernmental	231,780	-	-	231,780
Building Lease	32,985	-	-	32,985
System Development Fees	-	-	2,449,255	2,449,255
Storm Facility Reimbursement	-	-	714,126	714,126
Miscellaneous Income	500	-	-	500
In-Lieu Tax Fees	142	426	-	568
Net Investment Income	5,645	8,632	9,549	23,826
Reimbursed Expenditures	102,265	-	523,000	625,265
Total Revenues	5,895,335	4,792,301	3,695,930	14,383,566
EXPENDITURES				
Current:				
Accounting	61,236	-	-	61,236
Audit	8,825	-	-	8,825
Board Support	11,805	-	-	11,805
Community Events	562	-	-	562
Consulting	9,058	-	-	9,058
Contract Services	229,924	-	-	229,924
County Treasurer's Fees	75,650	65,519	-	141,169
Dues and Subscriptions	16,136	-	-	16,136
Electric and Gas	40,631	-	-	40,631
Engineering	1,043	-	135,240	136,283
Insurance	42,145	-	-	42,145
Reimbursable Landscape Service	58,350	-	-	58,350
Irrigation (SMMD)	14,277	-	-	14,277
Legal	63,107	-	-	63,107
Materials	70,372	-	-	70,372
Office Overhead	43,269	-	-	43,269
Maintenance	2,523,529	-	-	2,523,529
Payroll Tax	834	-	-	834
Support Management	-	-	79,212	79,212
Debt Service:				
Interest	-	2,413,458	-	2,413,458
Principal	-	2,781,000	-	2,781,000
Other	-	1,003	-	1,003
Capital Expenditures	-	-	5,446,171	5,446,171
Total Expenditures	3,270,753	5,260,980	5,660,623	14,192,356
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,624,582	(468,679)	(1,964,693)	191,210
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(2,900,000)	-	2,100,000	(800,000)
Total Other Financing Sources (Uses)	(2,900,000)	-	2,100,000	(800,000)
NET CHANGE IN FUND BALANCES	(275,418)	(468,679)	135,307	(608,790)
Fund Balances - Beginning of Year	727,629	2,947,300	19,215,230	22,890,159
FUND BALANCES - END OF YEAR	\$ 452,211	\$ 2,478,621	\$ 19,350,537	\$ 22,281,369

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, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ (608,790)
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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	5,285,765
Depreciation Expense	(321,760)
Transfer to the Enterprise Fund	(3,689,587)
Transfer of Public Improvements to Other Governments	(3,829,926)

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	891,000
Bond Principal	1,890,000

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	30,392
Amortization of Bond Premium	28,365
Amortization of Cost of Bond Refunding	(70,068)

Changes in Net Position of Governmental Activities	\$ <u>(394,609)</u>
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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, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES				
Property Taxes	\$ 5,067,569	\$ 5,068,379	\$ 5,035,627	\$ (32,752)
Specific Ownership Taxes	405,406	498,000	486,391	(11,609)
Intergovernmental (SMMD)	250,151	252,545	231,780	(20,765)
Intergovernmental (NMMD)	3,485	-	-	-
In-Lieu Tax Fees	142	142	142	-
Building Lease	32,779	32,984	32,985	1
Miscellaneous Income	-	300	500	200
Net Investment Income	5,500	2,500	5,645	3,145
Reimbursed Expenditures	58,500	67,000	102,265	35,265
Total Revenues	5,823,532	5,921,850	5,895,335	(26,515)
EXPENDITURES				
Accounting	54,000	62,000	61,236	764
Audit	9,250	8,825	8,825	-
Board Support	15,000	15,000	11,805	3,195
Community Events	-	-	562	(562)
Consulting	5,000	10,000	9,058	942
Contingency	5,000	6,401	-	6,401
Contract Services	321,000	328,000	229,924	98,076
County Treasurer's Fees	76,014	76,014	75,650	364
Dues and Subscriptions	22,500	17,000	16,136	864
Electric and Gas	50,000	30,000	40,631	(10,631)
Engineering	10,000	5,000	1,043	3,957
Global Information Services	30,000	-	-	-
Insurance	50,000	50,000	42,145	7,855
Irrigation (SMMD)	45,000	20,000	14,277	5,723
Legal	47,000	60,000	63,107	(3,107)
Maintenance	2,906,400	2,594,000	2,523,529	70,471
Materials	171,000	127,000	70,372	56,628
Office Overhead	40,500	44,500	43,269	1,231
Payroll Tax	450	450	834	(384)
Reimbursable Landscape Service	-	-	58,350	(58,350)
Total Expenditures	3,858,114	3,454,190	3,270,753	183,437
EXCESS OF REVENUES OVER EXPENDITURES	1,965,418	2,467,660	2,624,582	156,922
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(2,250,000)	(2,900,000)	(2,900,000)	-
Transfers from Other Districts	-	43,883	-	(43,883)
Forgiveness of Notes Receivable - NMMD	-	(645,810)	-	645,810
Total Other Financing Sources (Uses)	(2,250,000)	(3,501,927)	(2,900,000)	601,927
NET CHANGE IN FUND BALANCE	(284,582)	(1,034,267)	(275,418)	758,849
Fund Balance - Beginning of Year	680,270	1,367,286	727,629	(639,657)
FUND BALANCE - END OF YEAR	\$ 395,688	\$ 333,019	\$ 452,211	\$ 119,192

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2021**

ASSETS	<u>Enterprise</u>
CURRENT ASSETS	
Cash and Investments	\$ 3,041,107
Cash and Investments - DCC	291,904
Accounts Receivable	1,636,845
Prepaid Expense	<u>225</u>
Total Current Assets	4,970,081
CAPITAL ASSETS	
Construction in Progress	5,280,059
Conduit System	98,040
Water System	11,136,565
Wells	11,063,018
Wastewater Treatment Plant	11,332,486
Sewer System	9,481,050
Storm Water System	3,082,378
Less: Accumulated Depreciation	<u>(20,017,428)</u>
Total Capital Assets	<u>31,456,168</u>
 Total Assets	 <u><u>\$ 36,426,249</u></u>
 LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	\$ 1,331,244
Retainage Payable	212,896
Contingent Liability	275,000
Due to Other Funds	24,950
DCC Security Deposits	<u>210,250</u>
Total Current Liabilities	2,054,340
NET POSITION	
Net Investment in Capital Assets	31,456,168
Unrestricted	<u>2,915,741</u>
Total Net Position	<u>34,371,909</u>
 Total Liabilities and Net Position	 <u><u>\$ 36,426,249</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, 2021

	<u>Enterprise</u>
OPERATING REVENUES	
Service Charges	\$ 6,610,208
Lease Payments	471,017
Total Operating Revenues	<u>7,081,225</u>
OPERATING EXPENSES	
Cost of Services:	
Contract Services	1,916,839
Electric and Gas	877,919
Materials and Supplies	598,191
Operational Support	1,081,513
Water Purchase/Lease	363,754
Administration and General Expenses:	
Accounting	61,237
Audit	8,825
Dues and Subscriptions	12,640
Engineering and Consulting	879,475
Insurance	42,145
Legal	108,813
Office Overhead	27,573
Support Management	147,108
Capital Expenses	501,446
Depreciation	1,106,289
Total Operating Expenses	<u>7,733,767</u>
OPERATING INCOME (LOSS)	(652,542)
NONOPERATING REVENUES AND EXPENSES	
DCC Fees	33,300
Net Investment Income	3,101
Other Income	1,005
DCC Expenditures	(205,983)
Legal Settlement	(275,000)
Total Nonoperating Revenues and Expenses	<u>(443,577)</u>
OTHER FINANCING SOURCES (USES)	
Contributed Facilities	3,689,587
Transfers In (Out)	800,000
Total Other Financing Sources (Uses)	<u>4,489,587</u>
CHANGE IN NET POSITION	3,393,468
Total Net Position - Beginning of Year	<u>30,978,441</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 34,371,909</u></u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2021**

	<u>Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 6,577,171
Payments to Suppliers	(6,047,937)
Other Receipts	<u>471,017</u>
Net Cash Provided by Operating Activities	1,000,251
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other Revenue	84,305
Other Expenses	(205,983)
Payments to Other Funds	24,950
Transfers In (Out)	<u>800,000</u>
Net Cash Provided by Noncapital Financing Activities	703,272
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	<u>(5,633,917)</u>
Net Cash Used by Capital and Related Financing Activities	(5,633,917)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>3,101</u>
Net Cash Provided by Investing Activities	<u>3,101</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(3,927,293)
Cash and Cash Equivalents - Beginning of Year	<u>7,260,304</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 3,333,011</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (652,542)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	1,106,289
(Increase) Decrease in:	
Accounts Receivable	(33,037)
Prepaid Expense	1,542
Increase (Decrease) in:	
Accounts Payable	365,103
Retainage Payable	<u>212,896</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,000,251</u></u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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. Due to the structure of the consolidation, the financial activity of the Original District and North Meridian was combined at the beginning of the reporting period.

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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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.

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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

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, 2021.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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 one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Merger

As stated above (Note 1) the Original District and North Meridian consolidated to as the District to better service their inhabitants for the public health, safety, prosperity, and general welfare (see Agreements footnote). The initial opening balances of the District 's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for governmental activities, as of the beginning of the period, were determined on the basis of the carrying values reported in the separate financial statements of the Original District and North Meridian as of January 1, 2021, as follows:

	Original District	North Meridian	Total	Adjustments		Total
				Debit	Credit	
ASSETS						
Current Assets	\$ 33,750,024	\$ 58,523	\$ 33,808,547	\$ -	\$ 8,943	\$ 33,799,604
Capital Assets	20,911,454	-	20,911,454	-	-	20,911,454
Other Assets	645,810	-	645,810	-	645,810	-
Total Assets	55,307,288	58,523	55,365,811	-	654,753	54,711,058
DEFERRED OUTFLOWS OF RESOURCES						
Cost of Refunding, Net	682,190	-	682,190	-	-	682,190
Total Deferred Outflows of Resources	682,190	-	682,190	-	-	682,190
LIABILITIES						
Current Liabilities	1,669,192	6,693	1,675,885	8,943	-	1,666,942
Noncurrent Liabilities:	85,888,293	645,810	86,534,103	645,810	-	85,888,293
Total Liabilities	87,557,485	652,503	88,209,988	654,753	-	87,555,235
DEFERRED INFLOWS OF RESOURCES						
Deferred Property						
Tax Revenue	9,432,421	11,204	9,443,625	-	-	9,443,625
Total Deferred Inflows of Resources	9,432,421	11,204	9,443,625	-	-	9,443,625
NET POSITION						
Restricted	2,897,166	38,039	2,935,205	-	-	2,935,205
Unrestricted	(43,897,594)	(643,223)	(44,540,817)	-	-	(44,540,817)
Total Net Position	\$ (41,000,428)	\$ (605,184)	\$ (41,605,612)	\$ 654,753	\$ 654,753	\$ (41,605,612)

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Merger (Continued)

In determination of the beginning net position of as of January 1, 2021, an adjustment of \$5,687 between current assets and current liabilities was recognized to eliminate the due to/from between the Original District and North Meridian. In addition, on December 8, 2020, the Original District entered into an Intergovernmental Agreement (IGA) with North Meridian. Under the IGA, the Original District advanced North Meridian \$645,810 to fund the settlement of the North Meridian Series 2003 General Obligation Bonds. As part of the merger, adjustments of \$3,256 between current assets and current liabilities, and of \$645,810 between other assets and noncurrent liabilities were recorded to reflect the elimination of North Meridian's obligations under the IGA to the Original District.

The initial fund balances of the District were determined on the basis of the carrying values reported in the separate financial statements of the Original District and North Meridian as of January 1, 2021, as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Original District	\$ 1,367,286	\$ 2,947,288	\$ 19,177,513	\$ 23,492,087
North Meridian	6,153	12	37,717	43,882
Total Unadjusted Fund Balances	1,373,439	2,947,300	19,215,230	23,535,969
Elimination of IGA	(645,810)	-	-	(645,810)
Total Fund Balances	<u>\$ 727,629</u>	<u>\$ 2,947,300</u>	<u>\$ 19,215,230</u>	<u>\$ 22,890,159</u>

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 24,319,823
Cash and Investments - Restricted	2,653,868
Total Cash and Investments	<u>\$ 26,973,691</u>

Cash and investments as of December 31, 2021 consist of the following:

Deposits with Financial Institutions	\$ 1,478,002
Investments	25,495,689
Total Cash and Investments	<u>\$ 26,973,691</u>

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 (previously BBVA Compass Bank) are invested in the Premium Business Money Market (Previously BBVA Compass Public Funds 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, 2021, the District's cash deposits had a bank statement balance of \$3,512,954 and a carrying balance of \$1,478,002. Outstanding checks at December 31, 2021 totaled \$2,034,952.

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

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- . 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, 2021, 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	\$ 25,495,689
		<u>\$ 25,495,689</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.

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+ is rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
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	82,153	813,234	237,719	657,668
Street Intersection	1,855,320	1,097,327	2,214,526	738,121
Street Lights	-	748,181	-	748,181
Wastewater Treatment Plant	2,417,845	2,620,866	1,530,793	3,507,918
Water System Facilities	1,829,827	18,865	1,829,827	18,865
Wells	2,148,560	10,234	2,158,794	-
Total Capital Assets, Not Being Depreciated	12,367,912	5,308,707	7,971,659	9,704,960
Capital Assets, Being Depreciated:				
Building/Equipment	1,999,418	-	-	1,999,418
Conduit System	1,583,106	-	-	1,583,106
Parks and Recreation	3,454,824	277,334	-	3,732,158
Signage	4,221,253	-	-	4,221,253
Street Lights	1,837,146	151,870	-	1,989,016
Total Capital Assets, Being Depreciated	13,095,747	429,204	-	13,524,951
Less Accumulated Depreciation for:				
Building/Equipment	494,952	39,361	-	534,313
Conduit System	1,427,967	17,417	-	1,445,384
Parks and Recreation	1,278,467	82,059	-	1,360,526
Signage	552,969	133,925	-	686,894
Street Lights	797,850	48,998	-	846,848
Total Accumulated Depreciation	4,552,205	321,760	-	4,873,965
Total Capital Assets, Being Depreciated, Net	8,543,542	107,444	-	8,650,986
Governmental Activities Capital Assets, Net	<u>\$ 20,911,454</u>	<u>\$ 5,416,151</u>	<u>\$ 7,971,659</u>	<u>\$ 18,355,946</u>

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress:				
Water System Facilities	\$ -	\$ 4,201,049	\$ -	\$ 4,201,049
Wells	36,624	1,042,386	-	1,079,010
Total Capital Assets, Not Being Depreciated	36,624	5,243,435	-	5,280,059
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	9,801,693	1,530,793	-	11,332,486
Water System Facilities	11,136,565	-	-	11,136,565
Wells	8,513,742	2,549,276	-	11,063,018
Total Capital Assets, Being Depreciated	42,113,468	4,080,069	-	46,193,537
Less Accumulated Depreciation for:				
Conduit System	2,451	4,902	-	7,353
Sewer System Facilities	7,108,897	237,027	-	7,345,924
Storm Water System	462,357	77,059	-	539,416
Wastewater Treatment Plant	2,548,901	264,177	-	2,813,078
Water System Facilities	6,545,878	278,414	-	6,824,292
Wells	2,242,655	244,710	-	2,487,365
Total Accumulated Depreciation	18,911,139	1,106,289	-	20,017,428
Total Capital Assets, Being Depreciated, Net	23,202,329	2,973,780	-	26,176,109
Business-Type Activities Capital Assets, Net	<u>\$ 23,238,953</u>	<u>\$ 8,217,215</u>	<u>\$ -</u>	<u>\$ 31,456,168</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 \$33,017,549.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

General Government	\$ 321,760
Total Depreciation Expense - Governmental Activities	<u>\$ 321,760</u>

Business-Type Activities

Conduit/Water/Sewer Facilities	\$ 1,106,289
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,106,289</u>

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable:					
Series 2011A Refunding Bonds	\$ 1,525,000	\$ -	\$ 1,525,000	\$ -	\$ -
Series 2011B Refunding Bonds	265,000	-	265,000	-	-
Series 2017 Bonds	14,720,000	-	100,000	14,620,000	225,000
Notes from Direct Borrowings and Direct Placements:					
Series 2020A Refunding Loan	53,576,000	-	675,000	52,901,000	2,283,000
Series 2020B Refunding Loan	9,255,000	-	116,000	9,139,000	394,000
Series 2020C Improvement Loan	6,013,000	-	100,000	5,913,000	255,000
Total Bonds/Loan Payable	<u>85,354,000</u>	<u>-</u>	<u>2,781,000</u>	<u>82,573,000</u>	<u>\$ 3,157,000</u>
Bond Premium - Series 2017	534,293	-	28,365	505,928	
Total Long-Term Obligations	<u>\$ 85,888,293</u>	<u>\$ -</u>	<u>\$ 2,809,365</u>	<u>\$ 83,078,928</u>	

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

General Obligation Refunding Bonds – Series 2011A and Series 2011B

On October 27, 2011, the District fully refunded and defeased (debt legally satisfied) the Series 2001A General Obligation Refunding Bonds, dated September 1, 2001, with an average interest rate of approximately 5.0% and the Series 2001B General Obligation Refunding and Improvement Bonds, dated September 1, 2001, with an average interest rate of approximately 5.0% by the issuance of \$59,650,000 General Obligation Refunding Bonds, Series 2011A with interest rates ranging from 3.0% to 5.0% and \$10,350,000 General Obligation Refunding Bonds, Series 2011B with interest rates ranging from 3.0% to 5.0%. The defeased bonds are not considered a liability of the District since sufficient funds (\$68,543,724) were deposited with a trustee and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds when due.

On March 24, 2020, the District partially advance refunded and defeased (debt legally satisfied) \$50,080,000 of the Series 2011A Bonds, by the issuance of \$54,616,000 of General Obligation Taxable (Convertible to Tax-Exempt) Refunding Loan (Series 2020A) (the 2020A Note), issued at a Taxable Rate of 2.74% and converted to a Tax-Exempt Rate of 2.16% on September 2, 2021. The District advance refunded those maturities of the Series 2011A Bonds that mature after December 1, 2021, to reduce its total debt service payments over the next 22 years by approximately \$15,475,000, and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$11,621,000. The defeased bonds are not considered a liability of the District since sufficient funds in the amount of \$54,509,807 were deposited with a trustee and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds until the call date, at which point the bonds will be repaid in their entirety from the remaining funds in the escrow account. The Series 2011A Bonds were fully redeemed on December 1, 2021.

On March 24, 2020, the District partially advance refunded and defeased (debt legally satisfied) \$8,685,000 of the Series 2011B Bonds, by the issuance of \$9,434,000 of General Obligation Taxable (Convertible to Tax-Exempt) Refunding Loan (Series 2020B) (the 2020B Note), issued at a Taxable Rate of 2.74% and converted to a Tax-Exempt Rate of 2.16% on September 2, 2021. The District advance refunded those maturities of the Series 2011B Bonds that mature after December 1, 2021, to reduce its total debt service payments over the next 22 years by approximately \$2,707,000, and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$2,034,000. The defeased bonds are not considered a liability of the District since sufficient funds in the amount of \$9,414,288 were deposited with a trustee and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds until the call date, at which point the bonds will be repaid in their entirety from the remaining funds in the escrow account. The Series 2011B Bonds were fully redeemed on December 1, 2021.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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, 2021, AGM was rated AA by Standard & Poor's and A2 by Moody's.

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.

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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2020 Notes (Continued)

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%.

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.

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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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.

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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

Year Ending December 31,	Bonded Debt		Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022	\$ 225,000	\$ 580,975	\$ 2,932,000	\$ 1,467,785	\$ 5,205,760
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
2027-2031	1,465,000	2,550,275	17,027,000	4,966,252	26,008,527
2032-2036	1,790,000	2,232,275	18,941,000	3,046,377	26,009,652
2037-2041	2,200,000	1,817,825	16,681,000	910,267	21,609,092
2042-2046	6,510,000	971,225	-	-	7,481,225
2047	1,445,000	50,575	-	-	1,495,575
Total	<u>\$ 14,620,000</u>	<u>\$ 10,433,650</u>	<u>\$ 67,953,000</u>	<u>\$ 15,614,814</u>	<u>\$ 108,621,464</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, 2021, 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, 2021**

NOTE 6 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, 2021, the District had net investment in capital assets calculated as follows:

	Governmental Activities	Business- Type Activities
Net Investment in Capital Assets:		
Capital Assets, Net	\$ -	\$ 31,456,168
Net Investment in Capital Assets	<u>\$ -</u>	<u>\$ 31,456,168</u>

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, 2021 as follows:

	Governmental Activities	Business- Type Activities
Restricted Net Position:		
Emergencies	\$ 167,000	\$ -
Debt Service Reserve	2,307,891	-
Total Restricted Net Position	<u>\$ 2,474,891</u>	<u>\$ -</u>

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, 2021**

NOTE 7 RELATED-PARTY TRANSACTIONS

The Developer of the property within the District is Shea Colorado, LLC and its affiliates (Shea, or Developer). Three 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 2021, the District paid \$7,543,934 (including payments of \$656,336 for materials passed through to the District and \$2,314,820 for pass through items to subcontractors) to the Developer. At December 31, 2021, \$866,190 in related party amounts are included in accounts payable, and \$595,010 are included in accounts receivable.

The District received payments from the Developer of approximately \$61,468 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 2021, the Developer issued service and connection fees with a total value of \$4,548,696 that represents 372 taps. At December 31, 2021, with the adjustment of 67 irrigation taps issued between 2006 and 2020, the Developer possessed the rights to 116 taps. At December 31, 2021, the District had \$74,000 in accounts payable for service and connection fees.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 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 2021 were \$176,014.

At December 31, 2021, the District had \$291,904 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 Cost Sharing for the Jamaica/Meridian Intersection Improvement Project

On September 24, 2019, 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 Jamaica Street/Meridian Boulevard Intersection Improvement Project (the Project). Pursuant to the IGA, the District is responsible for managing the Project Pre-Construction Tasks. In addition, the District agrees to contribute 45% of the Actual Total Project Costs, which includes expenditures incurred by the District for the Pre-Construction Tasks, or an amount not to exceed \$1,507,500. During construction of the Project, the costs of \$286,159, that the District is responsible to reimburse the County for at 100%, occurred due to the additional work requested by the District. Both parties have agreed to utilized \$250,000 as the amount of expenditures incurred by the District for eligible Pre-Construction Tasks. Upon the completion of the Project, the District contributed \$1,543,659 to the County for construction of the Project.

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 2021, the District received, from TMA, \$43,602 for Base Services and \$35,021 for Added Services.

Consolidation Agreement

On May 11, 2021, the Original District and North Meridian (collectively, the Districts) entered into the Consolidation Agreement to operate more effectively and economically as a single consolidated District. It is the intent that the District will continue all of the services and fulfill the obligations of the Districts without material change.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 AGREEMENTS (CONTINUED)

Consolidation Agreement (Continued)

The District shall have all of the rights, powers and authorities which are granted by statute and by their respective statement of purposes and service plan to each of the Districts. The area to be included within the boundaries of the District shall be the total area of the Districts. The service plan and statement of purposes for the Districts shall be read together to constitute the service plan of the District.

The Districts agree that all intergovernmental agreements by and between the Districts shall be superseded, terminated, and shall no longer be of any force or effect. In addition, the Districts agree that the debt obligations from the Original District will be secured by a Mill Levy on the entirety of the District area beginning with tax year 2022.

The District shall become the responsible party for all obligations of the Districts. All of the Districts' rights and assets including existing operational reserves, emergency reserves, cash assets, capital services, real property, water rights, personal properties and appurtenances shall become the property of the District.

NOTE 9 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 2021, the District paid \$13,889 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 2021, 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, 2021, the District has spent \$3,200,912 in capital costs.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 DISTRICT COST SHARING PARTICIPATION AGREEMENTS (CONTINUED)

South Metro WISE Authority (Continued)

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, 2021, water capacity expense totaled \$342,604. 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 2021 are \$54,947.

NOTE 10 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 11 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 \$363,048 for the year ended December 31, 2021.

Construction Commitments

As of December 31, 2021, the District had unexpended construction related contract commitments of \$1,795,267.

Settlement Agreement

On January 19, 2022, the District executed a Settlement Agreement with an external entity. Based on the Settlement Agreement, the District paid a Settlement amount of \$275,000 to achieve a full and complete settlement and mutual release between the District and the external entity. This amount has been accrued for as of December 31, 2021.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12 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, 2021, South Meridian owed the District \$2,685.

NOTE 13 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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 14 INTERFUND TRANSFERS

The \$2,100,000 transfer from the General Fund to the Capital Projects Fund was to support budgeted capital expenditures.

The \$800,000 transfer from the General Fund to the Enterprise Fund was to support \$650,000 and \$150,000 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, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 4,364,852	\$ 4,362,004	\$ (2,848)
Specific Ownership Taxes	349,188	421,239	72,051
In-Lieu Tax Fees	426	426	-
Net Investment Income	13,000	8,632	(4,368)
Total Revenues	<u>4,727,466</u>	<u>4,792,301</u>	<u>64,835</u>
EXPENDITURES			
Bond Interest	652,100	652,100	-
Loan Interest	1,761,357	1,761,358	(1)
Bond Principal	1,890,000	1,890,000	-
Loan Principal	891,000	891,000	-
Contingency	10,000	-	10,000
County Treasurer's Fees	65,473	65,519	(46)
Paying Agent Fees	1,100	1,003	97
Total Expenditures	<u>5,271,030</u>	<u>5,260,980</u>	<u>10,050</u>
NET CHANGE IN FUND BALANCE	(543,564)	(468,679)	74,885
Fund Balance - Beginning of Year	<u>2,931,439</u>	<u>2,947,300</u>	<u>15,861</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,387,875</u></u>	<u><u>\$ 2,478,621</u></u>	<u><u>\$ 90,746</u></u>

**MERIDIAN METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
System Development Fees	\$ 1,195,000	\$ 2,449,255	\$ 1,254,255
Storm Facility Reimbursement	300,000	714,126	414,126
Net Investment Income	130,000	9,549	(120,451)
Reimbursed Expenditures	5,000	523,000	518,000
Total Revenues	1,630,000	3,695,930	2,065,930
EXPENDITURES			
Support Management	79,212	79,212	-
Engineering	-	135,240	(135,240)
Capital Outlay:			
Streets/Sidewalks/Transportation:			
District Road Replacement and Rehab	300,000	105,058	194,942
Intersection Reconfiguration	675,000	482,027	192,973
Streets, Lights, and Sidewalks	525,000	775,831	(250,831)
Station Site - Road	400,000	-	400,000
Traffic Signals	621,954	615,300	6,654
Landscape/Identity:			
Signage/Monumentation	50,000	948	49,052
Wayfinding Signs	100,000	-	100,000
Park:			
Landscaping and Walls	600,000	745,339	(145,339)
Multimodal	200,000	60,125	139,875
Park Upgrades	100,000	19,920	80,080
Station Site - Plaza	500,000	-	500,000
Trail Expansion	300,000	-	300,000
Water/Wastewater Facilities:			
ASR Program Phase II	400,000	-	400,000
Digester Repair/Upgrade	500,000	2,315	497,685
Lake Storage Increase	1,000,000	2,241,177	(1,241,177)
Lift Station A Rebuild/Rehab	2,300,000	43,149	2,256,851
Meridian Water Campus	-	18,865	(18,865)
MS4 Permit	500,000	251,807	248,193
Painting/Coating Water/Sewage Facilities	50,000	50,133	(133)
Potable Storage Tank Upgrades	300,000	-	300,000
Reclaimed Water Storage "LSH ASR Well"	500,000	-	500,000
Regional Wastewater/WWTP Upgrade	100,000	-	100,000
System Resiliency & Additional Tank	1,200,000	-	1,200,000
WISE Projects:			
WISE Infrastructure (Binney Connection)	130,990	-	130,990
Miscellaneous Projects:			
Capital Rehab & Replacement	-	34,177	(34,177)
Contingency	100,000	-	100,000
Total Expenditures	11,532,156	5,660,623	5,871,533
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,902,156)	(1,964,693)	7,937,463
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	2,100,000	2,100,000	-
Total Other Financing Sources	2,100,000	2,100,000	-
NET CHANGE IN FUND BALANCE	(7,802,156)	135,307	7,937,463
Fund Balance - Beginning of Year	19,430,304	19,215,230	(215,074)
FUND BALANCE - END OF YEAR	\$ 11,628,148	\$ 19,350,537	\$ 7,722,389

**MERIDIAN METROPOLITAN DISTRICT
PROPRIETARY FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Water Sales - Irrigation	\$ 1,000,000	\$ 1,500,000	\$ 1,684,784	\$ 184,784
Water Sales - Potable	2,800,000	2,800,000	2,558,519	(241,481)
Sewer Sales	2,200,000	2,350,000	2,366,905	16,905
Building Lease	10,925	10,994	10,995	1
Conduit Lease	332,977	332,977	460,022	127,045
Miscellaneous Income	5,000	-	-	-
Net Investment Income	46,200	5,700	3,101	(2,599)
Reimbursed Expenditures	11,000	1,000	1,005	5
DCC Fees	50,000	50,000	33,300	(16,700)
Total Revenues	6,456,102	7,050,671	7,118,631	67,960
EXPENDITURES				
Cost of Services:				
Contract Services	1,872,500	2,300,000	1,916,839	383,161
Electric and Gas	690,000	910,000	877,919	32,081
Materials and Supplies	635,000	635,000	598,191	36,809
Operational Support	1,245,600	1,245,600	1,081,513	164,087
Water Purchase/Lease	350,000	350,000	363,754	(13,754)
Administration and General Expenses:				
DCC Expenditures	206,015	206,015	205,983	32
Accounting	54,000	62,000	61,237	763
Audit	9,250	8,825	8,825	-
Conduit Maintenance	100,000	-	-	-
Dues and Subscriptions	13,350	13,350	12,640	710
Engineering and Consulting	500,000	1,000,000	879,475	120,525
Insurance	50,000	45,319	42,145	3,174
Legal	81,000	103,000	108,813	(5,813)
Office Overhead	27,500	30,000	27,573	2,427
Support Management	147,108	147,108	147,108	-
Capital Expenditures/Outlay:				
Capital Outlay	4,550,000	5,814,450	5,664,187	150,263
Water, Infrastructure and Supply Efficiency	592,613	635,348	471,176	164,172
Total Expenditures	11,123,936	13,506,015	12,467,378	1,038,637
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,667,834)	(6,455,344)	(5,348,747)	1,106,597
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	150,000	800,000	800,000	-
Total Other Financing Sources	150,000	800,000	800,000	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ (4,517,834)</u>	<u>\$ (5,655,344)</u>	<u>\$ (4,548,747)</u>	<u>\$ 1,106,597</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, 2021**

	<u>Actual</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) (BUDGETARY BASIS)	\$ (4,548,747)
Add:	
Contributed Facilities	3,689,587
Current Year Capital Outlay	5,633,917
Deduct:	
Depreciation	(1,106,289)
Legal Settlement	<u>(275,000)</u>
CHANGE IN NET POSITION	3,393,468
Total Net Position - Beginning of Year	<u>30,978,441</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 34,371,909</u>

**MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

	\$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 December 31,	Principal	Interest	Total
2022	\$ 225,000	\$ 580,975	\$ 805,975
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>\$ 14,620,000</u>	<u>\$ 10,433,650</u>	<u>\$ 25,053,650</u>

MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2021

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
2022	\$ 2,283,000	\$ 1,142,662	\$ 3,425,662	\$ 394,000	\$ 197,402	\$ 591,402
2023	2,333,000	1,093,349	3,426,349	402,000	188,892	590,892
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>\$ 52,901,000</u>	<u>\$ 12,156,783</u>	<u>\$ 65,057,783</u>	<u>\$ 9,139,000</u>	<u>\$ 2,099,002</u>	<u>\$ 11,238,002</u>

MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2021

\$6,013,000 General Obligation Improvement Loan Interest Rate - 2.16% Series 2020C Dated March 24, 2020 Interest Payable June 1 and December 1							
Bonds/Loans and Interest Maturing in the Year Ending December 31,	Principal Payable December 1			Total			
	Principal	Interest	Total	Principal	Interest	Total	
2022	\$ 255,000	\$ 127,721	\$ 382,721	\$ 3,157,000	\$ 2,048,760	\$ 5,205,760	
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	<u>\$ 5,913,000</u>	<u>\$ 1,359,029</u>	<u>\$ 7,272,029</u>	<u>\$ 82,573,000</u>	<u>\$ 26,048,464</u>	<u>\$ 108,621,464</u>	

**MERIDIAN METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY,
AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021**

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 Fund	Debt Service	General Fund	Debt Service	Levied	Collected	
2013	\$ 134,176,800	\$ 143,496,930	23.000	21.000	\$ 6,099,502	\$ 5,919,273	97.0 %
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							
Debt Service		\$ 205,308,200		21.260	\$ 4,364,852	\$ 4,362,004	
Operational	\$ 179,382,980		28.250		5,067,569	5,035,627	
					<u>\$ 9,432,421</u>	<u>\$ 9,397,631</u> ⁽²⁾	99.6 %
Estimated for Calendar Year December 31, 2022							
Debt Service		\$ 211,265,770		21.260	\$ 4,491,510		
Operational	\$ 183,027,170		28.740		5,260,201		
Operational (4417)	296,280		50.000		14,814 ⁽³⁾		
					<u>\$ 9,766,525</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 \$15,880.

(3) Balance relates to collection expected from the consolidation with North Meridian.

CONTINUING DISCLOSURE OBLIGATION

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2021**

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

	2021			2022
	Final Budget	Actual	Variance	Budget
REVENUES				
Property Taxes	\$ 5,068,379	\$ 5,035,627	\$ (32,752)	\$ 5,260,201
Specific Ownership Taxes	498,000	486,391	(11,609)	420,816
Intergovernmental	252,545	231,780	(20,765)	237,896
In-Lieu Tax Fees	142	142	-	103
Building Lease	32,984	32,985	1	33,389
Miscellaneous Income	300	500	200	500
Net Investment Income	2,500	5,645	3,145	1,600
Reimbursed Expenditures	67,000	102,265	35,265	67,000
Total Revenues	5,921,850	5,895,335	(26,515)	6,021,505
EXPENDITURES				
Accounting and Audit	70,825	70,061	764	76,963
Board Support	15,000	11,805	3,195	15,000
Community Events	-	562	(562)	-
Consulting	10,000	9,058	942	10,000
Contingency	6,401	-	6,401	5,000
Contract Services	328,000	229,924	98,076	424,000
County Treasurer's Fees	76,014	75,650	364	78,903
Dues and Subscriptions	17,000	16,136	864	24,000
Electric and Gas	30,000	40,631	(10,631)	40,000
Engineering	5,000	1,043	3,957	10,000
Insurance	50,000	42,145	7,855	50,000
Irrigation (SMMD)	20,000	14,277	5,723	45,000
Legal	60,000	63,107	(3,107)	65,000
Maintenance	2,594,000	2,523,529	70,471	3,062,500
Materials	127,000	70,372	56,628	168,000
Office Overhead	44,500	43,269	1,231	43,500
Payroll Tax	450	834	(384)	450
Reimbursable Landscape Service	-	58,350	(58,350)	-
Total Expenditures	3,454,190	3,270,753	183,437	4,118,316
EXCESS OF REVENUES OVER EXPENDITURES	2,467,660	2,624,582	156,922	1,903,189
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(2,900,000)	(2,900,000)	-	(2,080,000)
Transfers from Other Districts	43,883	-	(43,883)	-
Forgiveness of Notes Receivable - NMMD	(645,810)	-	645,810	-
Total Other Financing Sources (Uses)	(3,501,927)	(2,900,000)	601,927	(2,080,000)
NET CHANGE IN FUND BALANCES	(1,034,267)	(275,418)	758,849	(176,811)
Fund Balances - Beginning of Year	1,367,286	727,629	(639,657)	748,086
FUND BALANCES - END OF YEAR	<u>\$ 333,019</u>	<u>\$ 452,211</u>	<u>\$ 119,192</u>	<u>\$ 571,275</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

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

		2021		2022
	Final Budget	Actual	Variance	Budget
REVENUES				
Property Taxes	\$ 4,364,852	\$ 4,362,004	\$ (2,848)	\$ 4,491,510
Specific Ownership Taxes	349,188	421,239	72,051	359,321
In-Lieu Tax Fees	426	426	-	346
Net Investment Income	13,000	8,632	(4,368)	4,000
Total Revenues	4,727,466	4,792,301	64,835	4,855,177
EXPENDITURES				
County Treasurer's Fees	65,473	65,519	(46)	67,373
Bond Principal	1,890,000	1,890,000	-	225,000
Bond Interest	652,100	652,100	-	580,975
Loan Principal	891,000	891,000	-	2,932,000
Loan Interest	1,761,357	1,761,358	(1)	1,467,785
Paying Agent Fees	1,100	1,003	97	1,500
Contingency	10,000	-	10,000	10,000
Total Expenditures	5,271,030	5,260,980	10,050	5,284,633
NET CHANGE IN FUND BALANCES	(543,564)	(468,679)	74,885	(429,456)
Fund Balances - Beginning of Year	2,931,439	2,947,300	15,861	2,485,645
FUND BALANCES - END OF YEAR	<u>\$ 2,387,875</u>	<u>\$ 2,478,621</u>	<u>\$ 90,746</u>	<u>\$ 2,056,189</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

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

		2021		2022
	Final Budget	Actual	Variance	Budget
REVENUES				
Net Investment Income	\$ 130,000	\$ 9,549	\$ (120,451)	\$ 17,000
Reimbursed Expenditures	5,000	523,000	518,000	-
Storm Facility Reimbursement	300,000	714,126	414,126	-
System Development Fees	1,195,000	2,449,255	1,254,255	2,450,000
Total Revenues	1,630,000	3,695,930	2,065,930	2,467,000
EXPENDITURES				
Support Management	79,212	79,212	-	87,133
Engineering	-	135,240	(135,240)	50,000
Capital Outlay	11,452,944	5,446,171	6,006,773	10,732,911
Total Expenditures	11,532,156	5,660,623	5,871,533	10,870,044
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,902,156)	(1,964,693)	7,937,463	(8,403,044)
OTHER FINANCING SOURCES AND (USES)				
Transfers In (Out)	2,100,000	2,100,000	-	1,190,000
Total Other Financing Sources	2,100,000	2,100,000	-	1,190,000
NET CHANGE IN FUND BALANCES	(7,802,156)	135,307	7,937,463	(7,213,044)
Fund Balances - Beginning of Year	19,430,304	19,215,230	(215,074)	18,784,883
FUND BALANCES - END OF YEAR	<u>\$ 11,628,148</u>	<u>\$ 19,350,537</u>	<u>\$ 7,722,389</u>	<u>\$ 11,571,839</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

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

	2017	2018	2019	2020	2021
REVENUES					
Property Taxes	\$ 3,778,270	\$ 4,628,029	\$ 4,434,306	\$ 4,596,243	\$ 5,035,627
Specific Ownership Taxes	404,840	486,479	487,019	400,163	486,391
Intergovernmental	130,980	177,096	179,617	245,047	231,780
In-Lieu Tax Fees	101	117	142	142	142
Building Lease	24,750	30,568	31,485	32,353	32,985
Miscellaneous Income	14,010	8,272	1,260	570	500
Net Investment Income	49,175	23,574	4,862	3,417	5,645
Reimbursed Expenditures	7,606	13,052	10,809	65,427	102,265
Total Revenues	4,409,732	5,367,187	5,149,500	5,343,362	5,895,335
EXPENDITURES					
Accounting and Audit	42,408	42,780	63,939	63,868	70,061
Board Support	8,738	13,392	10,375	9,976	11,805
Community Events	41,480	31,822	28,739	2,500	562
Contingency	20,719	2,337	-	-	-
Contract Services	169,521	171,181	247,117	258,809	229,924
County Treasurer's Fees	56,748	69,592	70,257	68,999	75,650
Dues and Subscriptions	16,682	24,325	17,367	19,392	16,136
Electric and Gas	46,711	45,681	49,517	30,678	40,631
Engineering and Consulting	67,417	44,125	5,366	4,380	10,101
Global Information Services	-	39,900	25,750	21,120	-
Insurance	40,327	43,106	44,998	42,614	42,145
Irrigation (SMMD)	13,359	34,700	14,814	24,353	14,277
Legal	15,984	38,653	23,742	36,598	63,107
Maintenance	1,995,442	2,128,481	2,309,871	2,299,770	2,523,529
Materials	110,330	114,022	111,041	99,052	70,372
Office Overhead	37,765	34,137	33,149	38,564	43,269
Payroll Tax	444	344	398	451	834
Reimbursable Landscape Service	-	-	-	-	58,350
Total Expenditures	2,684,075	2,878,578	3,056,440	3,021,124	3,270,753
EXCESS OF REVENUES OVER EXPENDITURES	1,725,657	2,488,609	2,093,060	2,322,238	2,624,582
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	(1,662,000)	(2,250,000)	(2,350,000)	(1,500,000)	(2,900,000)
Total Other Financing Sources (Uses)	(1,662,000)	(2,250,000)	(2,350,000)	(1,500,000)	(2,900,000)
NET CHANGE IN FUND BALANCES	63,657	238,609	(256,940)	822,238	(275,418)
Fund Balances - Beginning of Year	499,722	563,379	801,988	545,048	1,373,439
FUND BALANCES - END OF YEAR	<u>\$ 563,379</u>	<u>\$ 801,988</u>	<u>\$ 545,048</u>	<u>\$ 1,367,286</u>	<u>\$ 1,098,021</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

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

	2017	2018	2019	2020	2021
REVENUES					
Property Taxes	\$ 4,519,548	\$ 5,379,123	\$ 5,174,744	\$ 5,447,485	\$ 4,362,004
Specific Ownership Taxes	494,706	578,719	510,368	473,983	421,239
In-Lieu Tax Fees	304	350	425	426	426
Net Investment Income	26,729	30,364	21,094	15,216	8,632
Other Revenue	-	-	-	200,255	-
Total Revenues	<u>5,041,287</u>	<u>5,988,556</u>	<u>5,706,631</u>	<u>6,137,365</u>	<u>4,792,301</u>
EXPENDITURES					
County Treasurer's Fees	67,897	80,868	73,924	81,801	65,519
Debt Service	<u>4,685,327</u>	<u>5,295,248</u>	<u>5,269,464</u>	<u>5,091,572</u>	<u>5,195,461</u>
Total Expenditures	<u>4,753,224</u>	<u>5,376,116</u>	<u>5,343,388</u>	<u>5,173,373</u>	<u>5,260,980</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	288,063	612,440	363,243	963,992	(468,679)
OTHER FINANCING SOURCES (USES)					
Loan Issuance	-	-	-	70,063,000	-
Payment to Refunding Escrow Agent	-	-	-	(63,924,095)	-
Transfers In (Out)	-	-	-	(5,982,142)	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,763</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	288,063	612,440	363,243	1,120,755	(468,679)
Fund Balances - Beginning of Year	<u>562,787</u>	<u>850,850</u>	<u>1,463,290</u>	<u>1,826,533</u>	<u>2,301,490</u>
FUND BALANCES - END OF YEAR	<u>\$ 850,850</u>	<u>\$ 1,463,290</u>	<u>\$ 1,826,533</u>	<u>\$ 2,947,288</u>	<u>\$ 1,832,811</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

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

	2017	2018	2019	2020	2021
REVENUES					
Net Investment Income	\$ 76,891	\$ 490,305	\$ 502,586	\$ 150,388	\$ 9,549
Reimbursed Expenditures	2,774	42,372	-	-	523,000
Storm Facility Reimbursement	-	-	-	-	714,126
System Development Fees	-	-	-	790,482	2,449,255
Other Revenue	5,000	48,066	244,512	649,616	-
Total Revenues	<u>84,665</u>	<u>580,743</u>	<u>747,098</u>	<u>1,590,486</u>	<u>3,695,930</u>
EXPENDITURES					
Bond Issuance Costs	340,729	-	-	-	-
Support Management	67,725	69,755	77,661	75,440	79,212
Engineering	-	-	-	-	135,240
Capital Outlay	1,927,482	1,893,545	5,448,587	8,617,942	5,446,171
Total Expenditures	<u>2,335,936</u>	<u>1,963,300</u>	<u>5,526,248</u>	<u>8,693,382</u>	<u>5,660,623</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(2,251,271)	(1,382,557)	(4,779,150)	(7,102,896)	(1,964,693)
OTHER FINANCING SOURCES AND (USES)					
Bond Proceeds	14,720,000	-	-	-	-
Bond Premium	620,729	-	-	-	-
Transfers In (Out)	1,512,000	2,100,000	2,200,000	7,332,142	2,100,000
Total Other Financing Sources	<u>16,852,729</u>	<u>2,100,000</u>	<u>2,200,000</u>	<u>7,332,142</u>	<u>2,100,000</u>
NET CHANGE IN FUND BALANCES	14,601,458	717,443	(2,579,150)	229,246	135,307
Fund Balances - Beginning of Year	<u>6,208,516</u>	<u>20,809,974</u>	<u>21,527,417</u>	<u>18,948,267</u>	<u>19,215,230</u>
FUND BALANCES - END 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>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

**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
2016/2017	\$ 162,649,650	-2.1%	\$ 11,685,810	0.0%	\$ 174,335,460	\$ -	-
2017/2018	199,188,800	22.5%	13,316,440	14.0%	212,505,240	-	-
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%

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
2016/2017	24.000	25.000	-	49.000	25.000	-
2017/2018	24.250	25.260	0.391	49.901	25.260	-
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

**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
2015/2016	\$ 8,236,601	\$ 8,041,530	97.63%	\$ 253,371	\$ 253,049	99.87%	\$ -	\$ -	-
2016/2017	7,911,443	7,997,665	101.09%	300,535	300,153	99.87%	-	-	-
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%

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

TEN LARGEST TAXPAYERS IN THE DISTRICT FOR 2021

Taxpayer Name	Assessed Valuation	Percentage of Total Assessed Valuation
Echostar	\$ 13,352,280	6.32%
Windsor at Meridian LLC	12,970,470	6.14%
AGNL Engineering LLC	12,680,810	6.00%
Meridian Office Partners LLC	11,282,780	5.34%
Teletch Services Corporation	9,387,210	4.44%
Liberty Property Holdings Lot 7A-2 LLC	8,428,950	3.99%
TTEC Services Corp	6,428,470	3.04%
Shea Properties	5,783,370	2.74%
St Paul Fire & Marine Insurance Company	5,767,840	2.73%
Denver Meridian Gateway Equities LLC	5,652,450	2.68%
	<u>\$ 91,734,630</u>	<u>43.42%</u>

2021 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	\$ 140,639,890	72.56%	\$ -	0.00%
Personal	33,305,250	17.18%	746,420	4.29%
Vacant	2,682,800	1.38%	-	0.00%
Industrial	6,541,680	3.37%	-	0.00%
State Assessed	48,200	0.02%	3,500	0.02%
Residential	10,598,270	5.47%	16,681,800	95.70%
Agricultural	17,960	0.01%	-	0.00%
	<u>\$ 193,834,050</u>	<u>100.00%</u>	<u>\$ 17,431,720</u>	<u>100.00%</u>