

MERIDIAN METROPOLITAN DISTRICT
Douglas County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

**MERIDIAN METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 Meridian Metropolitan District, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Fiscal Focus Partners, LLC

Other Matters

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 opinion on the basic financial statements is not affected by this missing information.

Other 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 listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary 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.

The continuing disclosure obligation 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.



Greenwood Village, Colorado
June 6, 2021

BASIC FINANCIAL STATEMENTS

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments	\$ 21,154,664	\$ 7,260,304	\$ 28,414,968
Cash and Investments - Restricted	3,056,935	-	3,056,935
Receivable - County Treasurer	77,214	-	77,214
Accounts Receivable	17,819	1,603,808	1,621,627
Loan Interest Receivable	3,256	-	3,256
Prepaid Expense	1,767	1,767	3,534
Due from Other Governments	5,948	-	5,948
Property Taxes Receivable	9,432,421	-	9,432,421
Loan Receivable, Other Government	645,810	-	645,810
Capital Assets, Not Being Depreciated	12,367,912	36,624	12,404,536
Capital Assets, Net	<u>8,543,542</u>	<u>23,202,329</u>	<u>31,745,871</u>
Total Assets	55,307,288	32,104,832	87,412,120
DEFERRED OUTFLOWS OF RESOURCES			
Cost of Refunding, Net	<u>682,190</u>	<u>-</u>	<u>682,190</u>
Total Deferred Outflows of Resources	682,190	-	682,190
LIABILITIES			
Accounts Payable	1,279,614	966,141	2,245,755
Due to Other Governments	2,250	-	2,250
Retainage Payable	186,206	-	186,206
Deposits	-	160,250	160,250
Accrued Interest Payable	201,122	-	201,122
Noncurrent Liabilities:			
Due Within One Year	2,781,000	-	2,781,000
Due in More Than One Year	<u>83,107,293</u>	<u>-</u>	<u>83,107,293</u>
Total Liabilities	87,557,485	1,126,391	88,683,876
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenue	<u>9,432,421</u>	<u>-</u>	<u>9,432,421</u>
Total Deferred Inflows of Resources	9,432,421	-	9,432,421
NET POSITION			
Net Investment in Capital Assets	-	23,238,953	23,238,953
Restricted for:			
Emergency Reserve	151,000	-	151,000
Debt Service	2,746,166	-	2,746,166
Unrestricted	<u>(43,897,594)</u>	<u>7,739,488</u>	<u>(36,158,106)</u>
Total Net Position	<u>\$ (41,000,428)</u>	<u>\$ 30,978,441</u>	<u>\$ (10,021,987)</u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

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	\$ 713,985	\$ 32,353	\$ 245,047	\$ 1,440,098	\$ 1,003,513	\$ -	\$ 1,003,513
Parks and Open Space Maintenance	2,717,042	-	-	-	(2,717,042)	-	(2,717,042)
Acceptance of Assets Conveyed from Another Government	-	-	-	247,313	247,313	-	247,313
Transfer of Capital Assets to the Enterprise Fund	895,440	-	-	-	(895,440)	-	(895,440)
Interest on Long-Term Debt and Related Costs	7,819,077	-	-	-	(7,819,077)	-	(7,819,077)
Total Governmental Activities	<u>\$ 12,145,544</u>	<u>\$ 32,353</u>	<u>\$ 245,047</u>	<u>\$ 1,687,411</u>	(10,180,733)	-	(10,180,733)
Business-Type Activities:							
Water/Sewer Facilities	\$ 8,213,389	\$ 6,922,245	\$ -	\$ 895,440	-	(395,704)	(395,704)
Total Business-Type Activities	<u>\$ 8,213,389</u>	<u>\$ 6,922,245</u>	<u>\$ -</u>	<u>\$ 895,440</u>	-	(395,704)	(395,704)
GENERAL REVENUES							
Property Taxes					10,043,728	-	10,043,728
Specific Ownership Taxes					874,146	-	874,146
Net Investment Income					172,277	56,197	228,474
Other Revenues					266,820	30,739	297,559
Transfers					(150,000)	150,000	-
Total General Revenues and Transfers					<u>11,206,971</u>	<u>236,936</u>	<u>11,443,907</u>
CHANGES IN NET POSITION					1,026,238	(158,768)	867,470
Net Position - Beginning of Year					(42,026,666)	31,137,209	(10,889,457)
NET POSITION - END OF YEAR					<u>\$ (41,000,428)</u>	<u>\$ 30,978,441</u>	<u>\$ (10,021,987)</u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 710,541	\$ -	\$ 20,444,123	\$ 21,154,664
Cash and Investments - Restricted	151,000	2,905,935	-	3,056,935
Receivable - County Treasurer	35,311	41,903	-	77,214
Accounts Receivable	9,457	-	8,362	17,819
Due from South Meridian	1,991	-	-	1,991
Due from North Meridian	1,637	1,800	-	3,437
Due from Other Districts	-	-	520	520
Prepaid Expense	1,767	-	-	1,767
Loan Receivable - NMMD	645,810	-	-	645,810
Property Taxes Receivable	5,067,569	4,364,852	-	9,432,421
Total Assets	<u>\$ 6,625,083</u>	<u>\$ 7,314,490</u>	<u>\$ 20,453,005</u>	<u>\$ 34,392,578</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 189,103	\$ 2,350	\$ 1,088,161	\$ 1,279,614
Retainage Payable	-	-	186,206	186,206
Due to North Meridian	1,125	-	1,125	2,250
Total Liabilities	<u>190,228</u>	<u>2,350</u>	<u>1,275,492</u>	<u>1,468,070</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	5,067,569	4,364,852	-	9,432,421
Total Deferred Inflows of Resources	<u>5,067,569</u>	<u>4,364,852</u>	<u>-</u>	<u>9,432,421</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expense	1,767	-	-	1,767
Restricted for:				
Emergency Reserves	151,000	-	-	151,000
Debt Service	-	2,947,288	-	2,947,288
Committed:				
Capital Projects	-	-	921,786	921,786
Assigned to:				
Subsequent Year's Expenditures	284,582	-	-	284,582
Capital Projects	-	-	18,255,727	18,255,727
Unassigned	929,937	-	-	929,937
Total Fund Balances	<u>1,367,286</u>	<u>2,947,288</u>	<u>19,177,513</u>	<u>23,492,087</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,625,083</u>	<u>\$ 7,314,490</u>	<u>\$ 20,453,005</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.				20,911,454
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				682,190
Loan Receivable - Interest				3,256
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				(201,122)
Bonds Payable, Net of Premium				(17,044,293)
Loan Payables				(68,844,000)
Net Position of Governmental Activities				<u>\$ (41,000,428)</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, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 4,596,243	\$ 5,447,485	\$ -	\$ 10,043,728
Specific Ownership Taxes	400,163	473,983	-	874,146
Intergovernmental	245,047	-	-	245,047
Building Lease	32,353	-	-	32,353
System Development Fees	-	-	790,482	790,482
Miscellaneous Income	570	-	-	570
In-Lieu Tax Fees	142	426	-	568
Net Investment Income	3,417	15,216	150,388	169,021
Reimbursed Expenditures	65,427	-	-	65,427
Other Revenue	-	200,255	649,616	849,871
Total Revenues	5,343,362	6,137,365	1,590,486	13,071,213
EXPENDITURES				
Current				
Accounting	55,043	-	-	55,043
Audit	8,825	-	-	8,825
Board Support	9,976	-	-	9,976
Community Events	2,500	-	-	2,500
Contract Services	258,809	-	-	258,809
County Treasurer's Fees	68,999	81,801	-	150,800
Dues and Subscriptions	19,392	-	-	19,392
Electric and Gas	30,678	-	-	30,678
Engineering	4,380	-	-	4,380
Global Information Services	21,120	-	-	21,120
Insurance	42,614	-	-	42,614
Irrigation (SMMD)	24,353	-	-	24,353
Legal	36,598	-	-	36,598
Materials	99,052	-	-	99,052
Office Overhead	38,564	-	-	38,564
Maintenance	2,299,770	-	-	2,299,770
Payroll Tax	451	-	-	451
Support Management	-	-	75,440	75,440
Debt Service				
Interest	-	2,022,492	-	2,022,492
Principal	-	2,934,000	-	2,934,000
Loan Issuance Costs	-	133,200	-	133,200
Other	-	1,880	-	1,880
Capital Expenditures	-	-	8,617,942	8,617,942
Total Expenditures	3,021,124	5,173,373	8,693,382	16,887,879
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	2,322,238	963,992	(7,102,896)	(3,816,666)
OTHER FINANCING SOURCES (USES)				
Loan Issuance	-	70,063,000	-	70,063,000
Payment to Refunding Escrow Agent	-	(63,924,095)	-	(63,924,095)
Transfers In (Out)	(1,500,000)	(5,982,142)	7,332,142	(150,000)
Total Other Financing Sources (Uses)	(1,500,000)	156,763	7,332,142	5,988,905
NET CHANGE IN FUND BALANCES	822,238	1,120,755	229,246	2,172,239
Fund Balances - Beginning of Year	545,048	1,826,533	18,948,267	21,319,848
FUND BALANCES - END OF YEAR	<u>\$ 1,367,286</u>	<u>\$ 2,947,288</u>	<u>\$ 19,177,513</u>	<u>\$ 23,492,087</u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 2,172,239

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.

Acceptance of Assets Conveyed from Another Government	247,313
Capital Outlay	8,546,131
Depreciation Expense	(262,652)
Transfer to the Enterprise Fund	(895,440)

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

Loan Receivable - Interest	3,256
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Loan Issuance	(70,063,000)
Loan Principal - Current Year	1,219,000
Bond Principal - Current Year	1,715,000
Payment to Refunding Escrow Agent	63,924,095

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 Bond Interest Payable - Change in Liability	95,130
Accrued Interest on Refunded Bonds	(5,651,487)
Amortization of Bond Premium	28,366
Amortization of Cost of Bond Refunding	(51,713)

Changes in Net Position of Governmental Activities	\$ 1,026,238
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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, 2020**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Property Taxes	\$ 4,638,693	\$ 4,638,693	\$ 4,596,243	\$ (42,450)
Specific Ownership Taxes	487,063	361,252	400,163	38,911
Intergovernmental (SMMD)	175,154	250,830	244,006	(6,824)
Intergovernmental (NMMD)	1,106	1,106	1,041	(65)
In-Lieu Tax Fees	120	142	142	-
Building Lease	32,390	32,354	32,353	(1)
Miscellaneous Income	-	500	570	70
Net Investment Income	20,000	7,500	3,417	(4,083)
Reimbursed Expenditures	17,500	57,800	65,427	7,627
Total Revenues	5,372,026	5,350,177	5,343,362	(6,815)
EXPENDITURES				
Accounting	52,100	52,100	55,043	(2,943)
Audit	8,750	8,825	8,825	-
Board Support	15,000	10,000	9,976	24
Consulting	10,000	5,000	-	5,000
Contingency	53,250	10,045	-	10,045
County Treasurer's Fees	69,580	69,580	68,999	581
Community Events	40,000	5,000	2,500	2,500
Dues and Subscriptions	25,542	20,000	19,392	608
Global Information Services	35,000	25,000	21,120	3,880
Insurance	47,000	43,000	42,614	386
Legal	45,000	40,000	36,598	3,402
Payroll Tax	450	450	451	(1)
Irrigation (SMMD)	45,000	30,000	24,353	5,647
Engineering	45,000	2,000	4,380	(2,380)
Electric and Gas	80,000	40,000	30,678	9,322
Office Overhead	35,500	37,500	38,564	(1,064)
Maintenance	2,702,700	2,345,000	2,299,770	45,230
Contract Services	314,000	224,500	258,809	(34,309)
Materials	150,000	107,000	99,052	7,948
Total Expenditures	3,773,872	3,075,000	3,021,124	53,876
EXCESS OF REVENUES OVER EXPENDITURES	1,598,154	2,275,177	2,322,238	47,061
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(1,310,000)	(2,150,000)	(1,500,000)	650,000
Total Other Financing Sources (Uses)	(1,310,000)	(2,150,000)	(1,500,000)	650,000
NET CHANGE IN FUND BALANCE	288,154	125,177	822,238	697,061
Fund Balance - Beginning of Year	500,256	545,048	545,048	-
FUND BALANCE - END OF YEAR	<u>\$ 788,410</u>	<u>\$ 670,225</u>	<u>\$ 1,367,286</u>	<u>\$ 697,061</u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2020**

	<u>Enterprise</u>
ASSETS	
CURRENT ASSETS	
Cash and Investments	\$ 7,052,552
Cash and Investments - DCC	207,752
Accounts Receivable	1,603,808
Prepaid Expense	1,767
Total Current Assets	<u>8,865,879</u>
CAPITAL ASSETS	
Construction in Progress	36,624
Conduit System	98,040
Water System	11,136,565
Wells	8,513,742
Wastewater Treatment Plant	9,801,693
Sewer System	9,481,050
Storm Water System	3,082,378
Less: Accumulated Depreciation	<u>(18,911,139)</u>
Total Capital Assets	<u>23,238,953</u>
Total Assets	<u><u>\$ 32,104,832</u></u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	966,141
DCC Security Deposits	160,250
Total Current Liabilities	<u>1,126,391</u>
NET POSITION	
Net Investment in Capital Assets	23,238,953
Unrestricted	7,739,488
Total Net Position	<u>30,978,441</u>
Total Liabilities and Net Position	<u><u>\$ 32,104,832</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, 2020**

	<u>Enterprise</u>
OPERATING REVENUES	
Service Charges	\$ 6,397,715
Lease Payments	488,180
Total Operating Revenues	<u>6,885,895</u>
OPERATING EXPENSES	
Cost of Services:	
Contract Services	1,781,457
Electric and Gas	822,891
Materials and Supplies	471,510
Operational Support	985,616
Water Purchase/Lease	424,860
Administration and General Expenses:	
Accounting	55,043
Audit	8,825
Conduit Maintenance	205,990
Dues and Subscriptions	10,749
Engineering and Consulting	952,427
Insurance	42,614
Legal	60,996
Office Overhead	28,029
Support Management	140,103
Capital Expenses	982,167
Depreciation	1,040,640
Total Operating Expenses	<u>8,013,917</u>
OPERATING INCOME	(1,128,022)
NONOPERATING REVENUES AND EXPENSES	
DCC Fees	36,350
Net Investment Income	56,197
Other Income	30,739
DCC Expenditures	(199,472)
Total Nonoperating Revenues and Expenses	<u>(76,186)</u>
OTHER FINANCING SOURCES (USES)	
Contributed Facilities	895,440
Transfers In (Out)	150,000
Total Other Financing Sources (Uses)	<u>1,045,440</u>
CHANGE IN NET POSITION	(158,768)
Total Net Position - Beginning of Year	<u>31,137,209</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 30,978,441</u></u>

See accompanying Notes to Basic Financial Statements.

**MERIDIAN METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2020**

	<u>Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 5,229,420
Payments to Suppliers	(6,602,040)
Other Receipts	488,180
Net Cash Used by Operating Activities	<u>(884,440)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other Revenue	117,089
Other Expenses	(199,472)
Transfers In (Out)	150,000
Net Cash Provided by Noncapital Financing Activities	<u>67,617</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	<u>(214,950)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(214,950)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>56,197</u>
Net Cash Provided by Investing Activities	<u>56,197</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(975,576)
Cash and Cash Equivalents - Beginning of Year	<u>8,235,880</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 7,260,304</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (1,128,022)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	1,040,640
(Increase) Decrease in:	
Accounts Receivable	(1,168,295)
Prepaid Expense	(27)
Increase (Decrease) in:	
Accounts Payable	<u>371,264</u>
Net Cash Used by Operating Activities	<u><u>\$ (884,440)</u></u>

Supplemental disclosure of noncash capital financing activities
Net capital activities in the amount of \$895,440 were transferred
from governmental activities to business-type activities

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Meridian Metropolitan District (the District) is a quasi-municipal corporation and political subdivision 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 District's service area is located in Douglas County, Colorado. The 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.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

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

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major proprietary fund:

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

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

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

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, 2020.

Pooled Cash and Investments

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

Cash Equivalents

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

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Accounts Receivable, Allowance for Doubtful Accounts

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

Capital Assets

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

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

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

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

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

Cost of Refunding

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

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.

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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 28,414,968
Cash and Investments - Restricted	<u>3,056,935</u>
Total Cash and Investments	<u><u>\$ 31,471,903</u></u>

Cash and investments as of December 31, 2020 consist of the following:

Deposits with Financial Institutions	\$ 1,423,705
Investments	<u>30,048,198</u>
Total Cash and Investments	<u><u>\$ 31,471,903</u></u>

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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.

BBVA Compass Bank Public Funds Money Market Account

The Loan Payment Fund monies that are included in the trust accounts at BBVA Compass Bank are invested in the 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 BBVA, which is an eligible public depository in Colorado, so the account is held subject to the requirements of the PDPA.

At December 31, 2020, the District's cash deposits had a bank statement balance of \$1,536,702 and a carrying balance of \$1,423,705. Outstanding checks at December 31, 2020 totaled \$112,997.

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, 2020**

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, 2020, 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	\$ 30,048,198
		<u>\$ 30,048,198</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 operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. 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. 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 is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 842,552	\$ -	\$ -	\$ 842,552
Landscaping/Parks	3,191,655	-	-	3,191,655
Construction in Progress:				
Building/Equipment	577,837	543,464	1,121,301	-
Street Intersection	366,916	1,488,404	-	1,855,320
Parks and Recreation	62,101	139,138	119,086	82,153
Signage	1,616,649	825,154	2,441,803	-
Water System Facilities	9,503	1,820,324	-	1,829,827
Wells	1,434,785	1,550,422	836,647	2,148,560
Wastewater Treatment Plant	50,100	2,426,538	58,793	2,417,845
Total Capital Assets, Not Being Depreciated	8,152,098	8,793,444	4,577,630	12,367,912
Capital Assets, Being Depreciated:				
Building/Equipment	878,117	1,121,301	-	1,999,418
Conduit System	1,583,106	-	-	1,583,106
Parks and Recreation	3,335,738	119,086	-	3,454,824
Street Lights	1,837,146	-	-	1,837,146
Signage	1,779,450	2,441,803	-	4,221,253
Total Capital Assets, Being Depreciated	9,413,557	3,682,190	-	13,095,747
Less Accumulated Depreciation for:				
Building/Equipment	466,804	28,148	-	494,952
Conduit System	1,405,699	22,268	-	1,427,967
Parks and Recreation	1,205,926	72,541	-	1,278,467
Street Lights	751,383	46,467	-	797,850
Signage	459,741	93,228	-	552,969
Total Accumulated Depreciation	4,289,553	262,652	-	4,552,205
Total Capital Assets, Being Depreciated, Net	5,124,004	3,419,538	-	8,543,542
Governmental Activities Capital Assets, Net	<u>\$ 13,276,102</u>	<u>\$ 12,212,982</u>	<u>\$ 4,577,630</u>	<u>\$ 20,911,454</u>

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress:				
Wells	\$ -	\$ 36,624	\$ -	\$ 36,624
Total Capital Assets, Not Being Depreciated	-	36,624	-	36,624
Capital Assets, Being Depreciated:				
Conduit System	-	98,040	-	98,040
Water System Facilities	11,136,565	-	-	11,136,565
Wells	7,596,809	916,933	-	8,513,742
Wastewater Treatment Plant	9,742,900	58,793	-	9,801,693
Sewer System Facilities	9,481,050	-	-	9,481,050
Storm Water System	3,082,378	-	-	3,082,378
Total Capital Assets, Being Depreciated	41,039,702	1,073,766	-	42,113,468
Less Accumulated Depreciation for:				
Conduit System	-	2,451	-	2,451
Water System Facilities	6,267,464	278,414	-	6,545,878
Wells	2,041,273	201,382	-	2,242,655
Wastewater Treatment Plant	2,304,594	244,307	-	2,548,901
Sewer System Facilities	6,871,870	237,027	-	7,108,897
Storm Water System	385,298	77,059	-	462,357
Total Accumulated Depreciation	17,870,499	1,040,640	-	18,911,139
Total Capital Assets, Being Depreciated, Net	23,169,203	33,126	-	23,202,329
Business-Type Activities Capital Assets, Net	<u>\$ 23,169,203</u>	<u>\$ 69,750</u>	<u>\$ -</u>	<u>\$ 23,238,953</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 \$29,187,623.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

General Government	\$ 262,652
Total Depreciation Expense - Governmental Activities	<u>\$ 262,652</u>

Business-Type Activities

Conduit/Water/Sewer Facilities	\$ 1,040,640
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,040,640</u>

NOTE 5 LOAN RECEIVABLE

On December 8, 2020, the District entered into an Intergovernmental Agreement with North Meridian Metropolitan District (NMMD). Under the Intergovernmental Agreement, the District advanced NMMD \$645,810 to fund the settlement of the NMMD Series 2003 General Obligation Bonds. Starting in 2021, NMMD will certify a debt mill levy of no less than 40 mills and all amounts received from this levy will be used to repay the outstanding advance plus interest of 8.0% per annum until December 31, 2060.

The following is an analysis of the changes in the District's Loan Receivable for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020
Governmental Activities				
Loan Receivable	\$ -	\$ 645,810	\$ -	\$ 645,810
Loan Receivable - Interest	-	3,256	-	3,256
Total	<u>\$ -</u>	<u>\$ 649,066</u>	<u>\$ -</u>	<u>\$ 649,066</u>

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Governmental Activities					
General Obligation Bonds Payable:					
Series 2011A Refunding Bonds	\$ 53,065,000	\$ -	\$ 51,540,000	\$ 1,525,000	\$ 1,525,000
Series 2011B Refunding Bonds	9,205,000	-	8,940,000	265,000	265,000
Series 2017 Bonds	14,720,000	-	-	14,720,000	100,000
Notes from Direct Borrowings and Direct Placements:					
Series 2020A Refunding Loan	-	54,616,000	1,040,000	53,576,000	675,000
Series 2020B Refunding Loan	-	9,434,000	179,000	9,255,000	116,000
Series 2020C Improvement Loan	-	6,013,000	-	6,013,000	100,000
Total Bonds/Loan Payable	76,990,000	70,063,000	61,699,000	85,354,000	<u>\$ 2,781,000</u>
Bond Discount - Series 2011	(586,882)	-	(586,882)	-	
Bond Premium - Series 2017	562,659	-	28,366	534,293	
Total Long-Term Obligations	<u>\$ 76,965,777</u>	<u>\$ 70,063,000</u>	<u>\$ 61,140,484</u>	<u>\$ 85,888,293</u>	

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. The Series 2011A and 2011B Bonds maturing on or before December 1, 2021, are not subject to redemption prior to maturity at the option of the District. The Series 2011A and 2011B Bonds maturing on or after December 1, 2022, are subject to redemption prior to maturity at the option of the District.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Refunding Bonds – Series 2011A and Series 2011B (Continued)

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% which, upon the Lender's receipt of a Conversion Opinion from Bond Counsel, will convert to a Tax-Exempt Rate of 2.16%. 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 (which reduction assumes the 2020A Note converts to the Tax-Exempt Rate on September 2, 2021), 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 will be redeemed on December 1, 2021. As of December 31, 2020, the outstanding principal balance of the refunded bonds is \$50,080,000, and the outstanding principal balance of the unrefunded bonds is \$1,525,000.

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% which, upon the Lender's receipt of a Conversion Opinion from Bond Counsel, will convert to a Tax-Exempt Rate of 2.16%. 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 (which reduction assumes the 2020B Note converts to the Tax-Exempt Rate on September 2, 2021), 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 will be redeemed on December 1, 2021. As of December 31, 2020, the outstanding principal balance of the refunded bonds is \$8,685,000, the outstanding principal balance of the unrefunded bonds is \$265,000.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 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, 2020, 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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

2020 Notes (Continued)

Prior to the 2020A Conversion Date, the 2020A Note bears 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 will bear interest at 2.16% (the 2020A Tax-Exempt Rate). The District covenants to request that Bond Counsel deliver a Conversion Opinion for the 2020A Note during the period from September 2, 2021, through and including December 1, 2021. Upon the case that the interest on the 2020A Note is includable for Federal income tax purposes (Determination of Taxability), the 2020A Note will bear interest at the 2020A Taxable Rate.

Prior to the 2020B Conversion Date, the 2020B Note bears 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 will bear interest at 2.16% (the 2020B Tax-Exempt Rate). The District covenants to request that Bond Counsel deliver a Conversion Opinion for the 2020B Note during the period from September 2, 2021, through and including December 1, 2021. Upon any Determination of Taxability, the 2020B Note will bear interest at the 2020B Taxable 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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Prepayment (Continued)

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

Pledged Revenue

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

Required Mill Levy

The District is required to impose a Required Mill Levy without limitation as to rate on all taxable property of:

- (A) the Original District (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 Original 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, 2020**

NOTE 6 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	
2021	\$ 1,890,000	\$ 652,100	\$ 891,000	\$ 1,761,357	\$ 5,194,457
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
2026-2030	1,410,000	2,606,675	16,668,000	5,326,280	26,010,955
2031-2035	1,720,000	2,301,075	18,542,000	3,446,885	26,009,960
2036-2040	2,105,000	1,915,175	20,634,000	1,355,962	26,010,137
2041-2045	5,595,000	1,192,250	-	-	6,787,250
2046-2047	2,840,000	149,975	-	-	2,989,975
Total	<u>\$ 16,510,000</u>	<u>\$ 11,085,750</u>	<u>\$ 68,844,000</u>	<u>\$ 17,376,171</u>	<u>\$ 113,815,921</u>

Authorized Debt

On May 8, 2012, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$275,000,000 for the financing of new improvements and \$200,000,000 for the purposes of debt refunding.

At December 31, 2020, the District had authorized but unissued indebtedness remaining in the amounts of \$254,280,000 for the financing of new improvements and \$200,000,000 for the purposes of debt refunding.

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.

NOTE 7 NET POSITION

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

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

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 NET POSITION (CONTINUED)

As of December 31, 2020, the District had net investment in capital assets calculated as follows:

	Governmental Activities	Business- Type Activities
Net Investment in Capital Assets:		
Capital Assets, Net	\$ -	\$ 23,238,953
Net Investment in Capital Assets	<u>\$ -</u>	<u>\$ 23,238,953</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, 2020 as follows:

	Governmental Activities	Business- Type Activities
Restricted Net Position:		
Emergencies	\$ 151,000	\$ -
Debt Service Reserve	2,746,166	-
Total Restricted Net Position	<u>\$ 2,897,166</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.

NOTE 8 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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 RELATED-PARTY TRANSACTIONS (CONTINUED)

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 2020, the District paid \$6,630,628 (including payments of \$483,331 for materials passed through to the District and \$1,917,403 for pass through items to subcontractors) to the Developer. At December 31, 2020, \$522,897 in related party amounts are included in accounts payable.

The District received payments from the Developer of approximately \$57,832 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 2020, the Developer issued service and connection fees with a total value of \$1,831,500 that represents 99 taps. At December 31, 2020, the Developer possessed the rights to 554 taps. At December 31, 2020, the District had \$203,500 in accounts payable for service and connection fees.

NOTE 9 AGREEMENTS

Connector Agreements

On October 1, 1998, the District and the Developer entered into an agreement whereby the District will provide water and sewer connections to a parcel of land south of the District's boundaries, which is the South Meridian Metropolitan District (SMMD). The Developer of SMMD 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 SMMD property without using or impairing the water rights presently owned by the District. The SMMD 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.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 AGREEMENTS (CONTINUED)

Connector Agreements (Continued)

On January 1, 2001, the District and North Meridian Metropolitan District (NMMD) entered into an agreement whereby the District has acquired or is acquiring all necessary water rights for the provision of water supply for the full estimated build out of the North Development. The District is currently arranging the transfer or lease of certain wells, well sites, intake points if diversion, related easements and applicable permits connected with these rights. Both parties agree that subject to the terms and conditions hereof, the District shall supply adequate water to taps connected within NMMD to accommodate such development.

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 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 No. 2 properties without using or impairing the water rights presently owned by the District. Meridian Village No. 1 and 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 Note 8). 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, 2020**

NOTE 9 AGREEMENTS (CONTINUED)

Covenant Obligations (Continued)

For each calendar year following 2013, the management fee shall be \$15,000 per month increased by the Denver-Boulder CPI for the prior year for the duration of the obligation. The fees invoiced by Shea for 2020 were \$167,633.

At December 31, 2020, the District had \$207,752 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 County will invoice the District for 45% of the Actual Total Project Costs. In 2020, the District contributed \$1,159,127 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 2020, the District received, from TMA, \$42,354 for Base Services and \$15,682 for Added Services.

NOTE 10 DISTRICT COST SHARING PARTICIPATION AGREEMENTS

South Metro Water Supply Authority

In 2000, the District signed a participation agreement for funding of the South Metro Water Supply Authority (SMWSA) to define water strategies to meet near and long-term water needs of the south metro area. In 2020, the District paid \$17,407 to SMWSA.

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 DISTRICT COST SHARING PARTICIPATION AGREEMENTS (CONTINUED)

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 2020, the District paid WISE \$38,750 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, 2020, the District has spent \$3,200,912 in capital costs. Additionally, there will be subscription fees, WISE operations and maintenance costs, WISE capital costs, District variable pumping costs, and the District's share of operating and maintenance costs which will be billed based upon water delivered. As of December 31, 2020, water capacity expense totaled \$344,729. 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 2020 are \$32,221.

NOTE 11 RISK MANAGEMENT

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

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

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

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 COMMITMENTS AND CONTINGENCIES

Water Lease

The District has entered into a lease for water rights from the Developer, which together with water rights owned by the District, are sufficient to meet current demand within the District's service area. The original term of the lease is 50 years, 1982 through 2032, with two 35-year renewal options and provisions for annual adjustments. Total lease payments were \$424,061 for the year ended December 31, 2020.

Construction Commitments

As of December 31, 2020, the District had unexpended construction related contract commitments of \$921,786.

NOTE 13 REGIONAL FACILITIES AGREEMENTS

The District has entered into separate Regional Facilities Agreements (RFA), dated January 1, 1999, with South Meridian Metropolitan District (South Meridian) and North Meridian Metropolitan District (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 and South Meridian, and to manage construction of improvements and handle the books and records of each district. North and South Meridian are obligated to fund the improvements through limited tax obligation debt or other revenues that are legally available. At December 31, 2020, North Meridian and South Meridian owed the District \$1,187 and \$1,991, respectively.

NOTE 14 TAX, SPENDING AND DEBT LIMITATION

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

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

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

**MERIDIAN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 14 TAX, SPENDING AND DEBT LIMITATION (CONTINUED)

On November 7, 1995, 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 1995 and any year thereafter, without regard to any limitations under TABOR.

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

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

NOTE 15 INTERFUND TRANSFERS

The \$1,350,000 transfer from the General Fund to the Capital Projects Fund was to support budgeted capital expenditures.

The \$5,982,142 transfer from the Debt Service Fund to the Capital Projects Fund was the result of the issuance of the 2020C Note.

The \$150,000 transfer from the General Fund to the Enterprise Fund was to support budgeted DCC expenditures.

NOTE 16 SUBSEQUENT EVENTS

The District entered into a Consolidation Agreement, dated May 11, 2021, with North Meridian Metropolitan District, to form a single consolidated District, Meridian Metropolitan District (Consolidated District) by December 31, 2021. The Consolidated District will provide the same services and fulfill the same obligations as the District and North Meridian Metropolitan District without material change. Upon consolidation, the District's Intergovernmental Agreement with North Meridian Metropolitan District will be forgiven and all assets and liabilities of the District will be assumed by the Consolidated District.

SUPPLEMENTARY INFORMATION

**MERIDIAN METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property Taxes	\$ 5,495,441	\$ 5,495,441	\$ 5,447,485	\$ (47,956)
Specific Ownership Taxes	577,021	424,104	473,983	49,879
In-Lieu Tax Fees	360	426	426	-
Net Investment Income	30,000	19,000	15,216	(3,784)
Other Revenue	-	200,255	200,255	-
Total Revenues	6,102,822	6,139,226	6,137,365	(1,861)
EXPENDITURES				
Bond Interest	3,555,019	729,276	729,275	1
Loan Interest	-	1,293,217	1,293,217	-
Bond Principal	1,715,000	1,715,000	1,715,000	-
Loan Principal	-	1,219,000	1,219,000	-
Contingency	10,000	10,000	122	9,878
County Treasurer's Fees	82,432	82,432	81,801	631
Loan Issuance Costs	-	133,200	133,200	-
Paying Agent Fees	1,100	1,100	1,758	(658)
Total Expenditures	5,363,551	5,183,225	5,173,373	9,852
EXCESS OF REVENUES OVER EXPENDITURES	739,271	956,001	963,992	7,991
OTHER FINANCING SOURCES (USES)				
Loan Issuance	-	70,063,000	70,063,000	-
Payment to Refunding Escrow Agent	-	(63,924,095)	(63,924,095)	-
Transfers In (Out)	-	(6,000,000)	(5,982,142)	17,858
Total Other Financing Sources	-	138,905	156,763	17,858
NET CHANGE IN FUND BALANCE	739,271	1,094,906	1,120,755	25,849
Fund Balance - Beginning of Year	1,865,201	1,826,533	1,826,533	-
FUND BALANCE - END OF YEAR	<u>\$ 2,604,472</u>	<u>\$ 2,921,439</u>	<u>\$ 2,947,288</u>	<u>\$ 25,849</u>

**MERIDIAN METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
System Development Fees	\$ 1,280,000	\$ 780,000	\$ 790,482	\$ 10,482
Net Investment Income	315,000	175,000	150,388	(24,612)
Reimbursed Expenditures	5,000	-	-	-
Other Revenue	5,000	621,954	649,616	27,662
Total Revenues	1,605,000	1,576,954	1,590,486	13,532
EXPENDITURES				
Support Management	75,440	75,440	75,440	-
Engineering	-	-	25,321	(25,321)
Capital Outlay:				
Streets/Sidewalks/Transportation:				
Intersection Reconfiguration	750,000	750,000	1,458,465	(708,465)
Streets, Lights, and Sidewalks	50,000	50,000	51,725	(1,725)
Station Site - Road	100,000	5,000	1,420	3,580
Traffic Signals	-	-	28,519	(28,519)
District Road Replacement and Rehab	100,000	60,000	58,793	1,207
Landscape/Identity:				
Wayfinding Signs	50,000	-	-	-
Signage/Monumentation	100,000	700,000	577,841	122,159
Park:				
Landscaping and Walls	600,000	500,000	84,090	415,910
Parking Area Upgrades	50,000	-	-	-
Park Upgrades	100,000	-	-	-
M-Bike	150,000	20,000	22,000	(2,000)
Trail Expansion	275,000	-	5,260	(5,260)
Station Site - Plaza	100,000	-	7,500	(7,500)
Wells/Irrigation:				
Restart/Redrill Wells	-	15,000	14,928	72
Water/Wastewater Facilities:				
Digester Repair/Upgrade	500,000	1,400,000	1,388,151	11,849
Lift Station A Rebuild/Rehab	200,000	-	-	-
MS4 Permit	500,000	1,230,000	1,194,253	35,747
Painting/Coating Water/Sewage Facilities	60,000	-	-	-
Potable Storage Tank Upgrades	200,000	-	-	-
ASR Phase 1 / DE 1R	-	40,000	43,633	(3,633)
ASR Program Phase II	1,300,000	50,000	-	50,000
Lake Storage Increase	100,000	500,000	1,173,492	(673,492)
Regional Wastewater/WWTP Upgrade	100,000	-	-	-
System Resiliency & Additional Tank	200,000	-	-	-
WISE Projects:				
WISE Infrastructure (Binney Connection)	1,780,909	2,841,477	1,820,324	1,021,153
Miscellaneous Projects:				
HQ Renovation	808,000	808,000	558,517	249,483
Capital Rehab & Replacement	100,000	50,000	103,710	(53,710)
Contingency	100,000	25,083	-	25,083
Total Expenditures	8,449,349	9,120,000	8,693,382	426,618
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,844,349)	(7,543,046)	(7,102,896)	440,150
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	1,160,000	8,000,000	7,332,142	(667,858)
Total Other Financing Sources (Uses)	1,160,000	8,000,000	7,332,142	(667,858)
NET CHANGE IN FUND BALANCE	(5,684,349)	456,954	229,246	(227,708)
Fund Balance - Beginning of Year	16,641,068	18,948,267	18,948,267	-
FUND BALANCE - END OF YEAR	\$ 10,956,719	\$ 19,405,221	\$ 19,177,513	\$ (227,708)

**MERIDIAN METROPOLITAN DISTRICT
PROPRIETARY FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Water Sales - Irrigation	\$ 982,000	\$ 1,483,235	\$ 501,235
Water Sales - Potable	2,641,000	2,661,324	20,324
Sewer Sales	2,338,000	2,253,156	(84,844)
Building Lease	10,795	10,785	(10)
Conduit Lease	325,000	477,395	152,395
Miscellaneous Income	5,000	406	(4,594)
Net Investment Income	243,000	56,197	(186,803)
Reimbursed Expenditures	7,500	30,333	22,833
DCC Fees	50,000	36,350	(13,650)
Total Revenues	6,602,295	7,009,181	406,886
EXPENDITURES			
Cost of Services:			
Contract Services	1,633,500	1,781,457	(147,957)
Electric and Gas	740,000	822,891	(82,891)
Materials and Supplies	600,000	471,510	128,490
Operational Support	1,158,300	985,616	172,684
Water Purchase/Lease	220,000	424,860	(204,860)
Administration and General Expenses:			
DCC Expenditures	217,633	199,472	18,161
Accounting	52,100	55,043	(2,943)
Audit	8,750	8,825	(75)
Conduit Maintenance	125,000	205,990	(80,990)
Dues and Subscriptions	8,000	10,749	(2,749)
Engineering and Consulting	235,000	952,427	(717,427)
Insurance	46,977	42,614	4,363
Legal	75,000	60,996	14,004
Office Overhead	25,000	28,029	(3,029)
Support Management	140,103	140,103	-
Capital Expenditures/Outlay:			
Capital Expenditures	490,000	-	490,000
Capital Outlay	1,900,000	214,950	1,685,050
Water, Infrastructure and Supply Efficiency	1,124,096	982,167	141,929
Total Expenditures	8,799,459	7,387,699	1,411,760
EXCESS OF REVENUES OVER (UNDER) OVER (UNDER) EXPENDITURES	(2,197,164)	(378,518)	1,818,646
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	150,000	150,000	-
Total Other Financing Sources	150,000	150,000	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (2,047,164)	\$ (228,518)	\$ 1,818,646

**MERIDIAN METROPOLITAN DISTRICT
 PROPRIETARY FUND
 RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2020**

	<u>Actual</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES) (BUDGETARY BASIS)	\$ (228,518)
Add:	
Contributed Facilities	895,440
Current Year Capital Outlay	214,950
Deduct:	
Depreciation	<u>(1,040,640)</u>
CHANGE IN NET POSITION	(158,768)
Total Net Position - Beginning of Year	<u>31,137,209</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 30,978,441</u>

MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020

Bonds and Interest Maturing in the Year Ending December 31,	\$59,650,000 General Obligation Refunding Bonds (Unrefunded Portion) Interest Rate - 3.0% to 5.0% Series 2011A Dated October 27, 2011 Interest Payable June 1 and December 1 Principal Payable December 1			\$10,350,000 General Obligation Refunding Bonds (Unrefunded Portion) Interest Rate - 3.0% to 5.0% Series 2011B Dated October 27, 2011 Interest payable June 1 and December 1 Principal payable December 1		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,525,000	\$ 57,188	\$ 1,582,188	\$ 265,000	\$ 9,937	\$ 274,937
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
2044	-	-	-	-	-	-
2045	-	-	-	-	-	-
2046	-	-	-	-	-	-
2047	-	-	-	-	-	-
Total	<u>\$ 1,525,000</u>	<u>\$ 57,188</u>	<u>\$ 1,582,188</u>	<u>\$ 265,000</u>	<u>\$ 9,937</u>	<u>\$ 274,937</u>

MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020

	\$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 and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2021	\$ 100,000	\$ 584,975	\$ 684,975
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>\$ 14,720,000</u>	<u>\$ 11,018,625</u>	<u>\$ 25,738,625</u>

MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020

Bonds and Interest Maturing in the Year Ending December 31,	\$54,616,000 General Obligation Taxable (Convertible to Tax-Exempt) Refunding Loan Interest Rate - 2.16% to 2.74% Series 2020A Dated March 24, 2020 Interest Payable June 1 and December 1 Principal Payable December 1			\$9,434,000 General Obligation Taxable (Convertible to Tax-Exempt) Refunding Loan Interest Rate - 2.16% to 2.74% Series 2020B Dated March 24, 2020 Interest payable June 1 and December 1 Principal payable December 1		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 675,000	\$ 1,391,160	\$ 2,066,160	\$ 116,000	\$ 240,316	\$ 356,316
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>\$ 53,576,000</u>	<u>\$ 13,547,943</u>	<u>\$ 67,123,943</u>	<u>\$ 9,255,000</u>	<u>\$ 2,339,318</u>	<u>\$ 11,594,318</u>

MERIDIAN METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020

\$6,013,000 General Obligation Improvement Loan Interest Rate - 2.160% Series 2020C Dated March 24, 2020 Interest payable June 1 and December 1						
Bonds and Interest Maturing in the Year Ending December 31,	Principal payable December 1			Total		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 100,000	\$ 129,881	\$ 229,881	\$ 2,781,000	\$ 2,413,457	\$ 5,194,457
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>\$ 6,013,000</u>	<u>\$ 1,488,910</u>	<u>\$ 7,501,910</u>	<u>\$ 85,354,000</u>	<u>\$ 28,461,921</u>	<u>\$ 113,815,921</u>

**MERIDIAN METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY,
AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020**

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	
2012	\$ 134,005,340	\$ 142,470,510	36.821	1.169	\$ 5,100,759	\$ 4,819,778	94.5 %
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							
Debt Service		\$ 210,887,570		25.260	\$ 5,495,441	\$ 5,447,485	
Operational	\$ 185,423,880		24.250		4,638,693	4,596,243	
					<u>\$ 10,134,134</u>	<u>\$ 10,043,728</u>	(2) 99.1 %
Estimated for Calendar Year December 31, 2021							
Debt Service		\$ 205,308,200		21.260	\$ 4,364,852		
Operational	\$ 179,382,980		28.250		5,067,569		
					<u>\$ 9,432,421</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 \$4,267.

CONTINUING DISCLOSURE OBLIGATION

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION
YEAR ENDED DECEMBER 31, 2020**

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

	2020			2021
	Final Budget	Actual	Variance	Budget
REVENUES				
Property Taxes	\$ 4,638,693	\$ 4,596,243	\$ (42,450)	\$ 5,067,569
Specific Ownership Taxes	361,252	400,163	38,911	405,406
Intergovernmental	251,936	245,047	(6,889)	253,636
Building Lease	32,354	32,353	(1)	32,779
In-Lieu Tax Fees	142	142	-	142
Reimbursed Expenditures	57,800	65,427	7,627	58,500
Net Investment Income	7,500	3,417	(4,083)	5,500
Miscellaneous Income	500	570	70	-
Total Revenues	5,350,177	5,343,362	(6,815)	5,823,532
EXPENDITURES				
Accounting and Audit	60,925	63,868	(2,943)	63,250
Board Support	10,000	9,976	24	15,000
Consulting	5,000	-	5,000	5,000
Contingency	10,045	-	10,045	5,000
County Treasurer's Fees	69,580	68,999	581	76,014
Community Events	5,000	2,500	2,500	-
Dues and Subscriptions	20,000	19,392	608	22,500
Global Information Services	25,000	21,120	3,880	30,000
Insurance	43,000	42,614	386	50,000
Legal	40,000	36,598	3,402	47,000
Payroll Tax	450	451	(1)	450
Irrigation (SMMD)	30,000	24,353	5,647	45,000
Engineering	2,000	4,380	(2,380)	10,000
Electric and Gas	40,000	30,678	9,322	50,000
Office Overhead	37,500	38,564	(1,064)	40,500
Operational Support	2,345,000	2,299,770	45,230	2,906,400
Contract Services	224,500	258,809	(34,309)	321,000
Materials	107,000	99,052	7,948	171,000
Total Expenditures	3,075,000	3,021,124	53,876	3,858,114
EXCESS OF REVENUES OVER EXPENDITURES				
	2,275,177	2,322,238	47,061	1,965,418
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(2,150,000)	(1,500,000)	650,000	(2,250,000)
Total Other Financing Sources (Uses)	(2,150,000)	(1,500,000)	650,000	(2,250,000)
NET CHANGE IN FUND BALANCES				
	125,177	822,238	697,061	(284,582)
Fund Balances - Beginning of Year	545,048	545,048	-	680,270
FUND BALANCES - END OF YEAR				
	\$ 670,225	\$ 1,367,286	\$ 697,061	\$ 395,688

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

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

	2020		2021
	Final Budget	Actual	Variance
			Budget
REVENUES			
Property Taxes	\$ 5,495,441	\$ 5,447,485	\$ (47,956)
Specific Ownership Taxes	424,104	473,983	49,879
In-Lieu Tax Fees	426	426	-
Net Investment Income	19,000	15,216	(3,784)
Other Revenue	200,255	200,255	-
Total Revenues	6,139,226	6,137,365	(1,861)
EXPENDITURES			
County Treasurer's Fees	82,432	81,801	631
Bond Principal	1,715,000	1,715,000	-
Bond Interest	729,276	729,275	1
Loan Principal	1,219,000	1,219,000	-
Loan Interest	1,293,217	1,293,217	-
Loan Issue Costs	133,200	133,200	-
Paying Agent Fees	1,100	1,758	(658)
Contingency	10,000	122	9,878
Total Expenditures	5,183,225	5,173,373	9,852
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	956,001	963,992	7,991
OTHER FINANCING SOURCES (USES)			
Loan Issuance	70,063,000	70,063,000	-
Payment to Refunding Escrow Agent	(63,924,095)	(63,924,095)	-
Transfers In (Out)	(6,000,000)	(5,982,142)	17,858
Total Other Financing Sources	138,905	156,763	17,858
NET CHANGE IN FUND BALANCES	1,094,906	1,120,755	25,849
Fund Balances - Beginning of Year	1,826,533	1,826,533	-
FUND BALANCES - END OF YEAR	\$ 2,921,439	\$ 2,947,288	\$ 25,849

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

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

	2020		2021
	Final Budget	Actual	Variance
			Budget
REVENUES			
Net Investment Income	\$ 175,000	\$ 150,388	\$ (24,612)
Reimbursed Expenditures	-	-	5,000
Storm Facility Reimbursement	-	-	300,000
System Development Fees	780,000	790,482	10,482
Other Revenue	621,954	649,616	27,662
Total Revenues	1,576,954	1,590,486	13,532
EXPENDITURES			
Support Management	75,440	75,440	-
Capital Outlay	9,044,560	8,617,942	426,618
Total Expenditures	9,120,000	8,693,382	426,618
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,543,046)	(7,102,896)	440,150
OTHER FINANCING SOURCES AND (USES)			
Transfers In (Out)	8,000,000	7,332,142	(667,858)
Total Other Financing Sources (Uses)	8,000,000	7,332,142	(667,858)
NET CHANGE IN FUND BALANCES	456,954	229,246	(227,708)
Fund Balances - Beginning of Year	18,948,267	18,948,267	-
FUND BALANCES - END OF YEAR	<u>\$ 19,405,221</u>	<u>\$ 19,177,513</u>	<u>\$ (227,708)</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

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

	2016	2017	2018	2019	2020
REVENUES					
Property Taxes	\$ 4,532,621	\$ 3,778,270	\$ 4,628,029	\$ 4,434,306	\$ 4,596,243
Specific Ownership Taxes	423,970	404,840	486,479	487,019	400,163
Intergovernmental	116,871	130,980	177,096	179,617	245,047
Building Lease	24,750	24,750	30,568	31,485	32,353
In-Lieu Tax Fees	113	101	117	142	142
Reimbursed Expenditures	15,170	7,606	13,052	10,809	65,427
Net Investment Income	18,082	49,175	23,574	4,862	3,417
Miscellaneous Income	15,620	14,010	8,272	1,260	570
Total Revenues	<u>5,147,197</u>	<u>4,409,732</u>	<u>5,367,187</u>	<u>5,149,500</u>	<u>5,343,362</u>
EXPENDITURES					
Accounting and Audit	42,071	42,408	42,780	63,939	63,868
Board Support	6,684	8,738	13,392	10,375	9,976
Community Events	-	41,480	31,822	28,739	2,500
Contract Services	143,253	169,521	171,181	247,117	258,809
Dues and Subscriptions	18,843	16,682	24,325	17,367	19,392
Electric and Gas	51,448	46,711	45,681	49,517	30,678
Engineering and Consulting	10,015	67,417	44,125	5,366	4,380
Global Information Services	-	-	39,900	25,750	21,120
Insurance	34,477	40,327	43,106	44,998	42,614
Irrigation (SMMD)	50,037	13,359	34,700	14,814	24,353
Landscaping	129,079	-	-	-	-
Legal	15,906	15,984	38,653	23,742	36,598
Materials	-	110,330	114,022	111,041	99,052
Office Overhead	44,972	37,765	34,137	33,149	38,564
Operational Support	1,901,747	1,995,442	2,128,481	2,309,871	2,299,770
Payroll Tax	375	444	344	398	451
County Treasurer's Fees	68,033	56,748	69,592	70,257	68,999
Contingency	-	20,719	2,337	-	-
Total Expenditures	<u>2,516,940</u>	<u>2,684,075</u>	<u>2,878,578</u>	<u>3,056,440</u>	<u>3,021,124</u>
EXPENDITURES	2,630,257	1,725,657	2,488,609	2,093,060	2,322,238
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	(2,704,945)	(1,662,000)	(2,250,000)	(2,350,000)	(1,500,000)
Total Other Financing Sources (Uses)	<u>(2,704,945)</u>	<u>(1,662,000)</u>	<u>(2,250,000)</u>	<u>(2,350,000)</u>	<u>(1,500,000)</u>
NET CHANGE IN FUND BALANCES	(74,688)	63,657	238,609	(256,940)	822,238
Fund Balances - Beginning of Year	<u>574,410</u>	<u>499,722</u>	<u>563,379</u>	<u>801,988</u>	<u>545,048</u>
FUND BALANCES - END OF YEAR	<u>\$ 499,722</u>	<u>\$ 563,379</u>	<u>\$ 801,988</u>	<u>\$ 545,048</u>	<u>\$ 1,367,286</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

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

	2016	2017	2018	2019	2020
REVENUES					
Property Taxes	\$ 3,761,958	\$ 4,519,548	\$ 5,379,123	\$ 5,174,744	\$ 5,447,485
Specific Ownership Taxes	357,135	494,706	578,719	510,368	473,983
In-Lieu Tax Fees	293	304	350	425	426
Net Investment Income	1,724	26,729	30,364	21,094	15,216
Other Revenue	-	-	-	-	200,255
Total Revenues	<u>4,121,110</u>	<u>5,041,287</u>	<u>5,988,556</u>	<u>5,706,631</u>	<u>6,137,365</u>
EXPENDITURES					
County Treasurer's Fees	56,483	67,897	80,868	73,924	81,801
Debt Service	<u>4,683,444</u>	<u>4,685,327</u>	<u>5,295,248</u>	<u>5,269,464</u>	<u>5,091,572</u>
Total Expenditures	<u>4,739,927</u>	<u>4,753,224</u>	<u>5,376,116</u>	<u>5,343,388</u>	<u>5,173,373</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(618,817)	288,063	612,440	363,243	963,992
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>-</u>	<u>156,763</u>
NET CHANGE IN FUND BALANCES	(618,817)	288,063	612,440	363,243	1,120,755
Fund Balances - Beginning of Year	<u>1,181,604</u>	<u>562,787</u>	<u>850,850</u>	<u>1,463,290</u>	<u>1,826,533</u>
FUND BALANCES - END OF YEAR	<u>\$ 562,787</u>	<u>\$ 850,850</u>	<u>\$ 1,463,290</u>	<u>\$ 1,826,533</u>	<u>\$ 2,947,288</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

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

	2016	2017	2018	2019	2020
REVENUES					
Net Investment Income	\$ 21,185	\$ 76,891	\$ 490,305	\$ 502,586	\$ 150,388
Reimbursed Expenditures	754,226	2,774	42,372	-	-
System Development Fees	-	-	-	-	790,482
Other Revenue	3,287	5,000	48,066	244,512	649,616
Total Revenues	<u>778,698</u>	<u>84,665</u>	<u>580,743</u>	<u>747,098</u>	<u>1,590,486</u>
EXPENDITURES					
Bond Issuance Costs	-	340,729	-	-	-
Capital Outlay	1,352,276	1,927,482	1,893,545	5,448,587	8,617,942
Support Management	65,207	67,725	69,755	77,661	75,440
Total Expenditures	<u>1,417,483</u>	<u>2,335,936</u>	<u>1,963,300</u>	<u>5,526,248</u>	<u>8,693,382</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(638,785)	(2,251,271)	(1,382,557)	(4,779,150)	(7,102,896)
OTHER FINANCING SOURCES AND (USES)					
Bond Proceeds	-	14,720,000	-	-	-
Bond Premium	-	620,729	-	-	-
Transfers In (Out)	2,588,945	1,512,000	2,100,000	2,200,000	7,332,142
Total Other Financing Sources	<u>2,588,945</u>	<u>16,852,729</u>	<u>2,100,000</u>	<u>2,200,000</u>	<u>7,332,142</u>
NET CHANGE IN FUND BALANCES	1,950,160	14,601,458	717,443	(2,579,150)	229,246
Fund Balances - Beginning of Year	<u>4,258,356</u>	<u>6,208,516</u>	<u>20,809,974</u>	<u>21,527,417</u>	<u>18,948,267</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,208,516</u>	<u>\$ 20,809,974</u>	<u>\$ 21,527,417</u>	<u>\$ 18,948,267</u>	<u>\$ 19,177,513</u>

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

**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)
	Assessed Valuation	Percent Change	Assessed Valuation	Percent Change	Assessed Valuation
2015/2016	\$ 159,824,190	4.8%	\$ 17,976,330	36.9%	\$ 177,800,520
2016/2017	155,350,790	-2.8%	18,984,670	5.6%	174,335,460
2017/2018	190,588,200	22.7%	21,917,040	15.4%	212,505,240
2018/2019	189,831,740	-0.4%	22,001,230	0.4%	211,832,970
2019/2020	185,423,880	-2.3%	25,463,690	15.7%	210,887,570
2020/2021	179,382,980	-3.3%	25,925,220	1.8%	205,308,200

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 is subject to levy for the purpose of paying the principal and interest on the 2020B Loan.

HISTORY OF MILL LEVIES FOR THE DISTRICT

Levy/ Collection Year	Property Within the District and the 2003-06 Excluded Property				1999 Excluded Property
	General Fund	Debt Service	Special Abatement	Total	Debt Service
2015/2016	29.000	21.000	-	50.000	21.000
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

**PROPERTY TAX COLLECTIONS FOR THE DISTRICT
(UNAUDITED)**

Levy/ Collection Year	Property Within the District and the 2003-06 & 2012 Excluded Property			1999 Excluded Property		
	Taxes Levied	Current Tax Collections	Collection Rate	Taxes Levied	Current Tax Collections	Collection Rate
2014/2015	\$ 7,475,278	\$ 7,445,967	99.61%	\$ 288,985	\$ 288,985	100.00%
2015/2016	8,100,210	7,904,816	97.59%	389,762	389,763	100.00%
2016/2017	7,723,731	7,809,570	101.11%	488,247	488,248	100.00%
2017/2018	9,510,542	9,451,047	99.37%	562,194	556,105	98.92%
2018/2019	9,398,569	9,053,299	96.33%	555,751	555,751	100.00%
2019/2020	9,490,921	9,403,116	99.07%	643,213	640,612	99.60%

**MERIDIAN METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OBLIGATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

TEN LARGEST TAXPAYERS IN THE DISTRICT FOR 2020

Taxpayer Name	Assessed Valuation	Percentage of Total Assessed Valuation
Echostar	\$ 13,366,410	6.51%
AGNL Engineering LLC	12,680,810	6.18%
Hauppauge LLC	11,578,810	5.64%
Meridian Office Partners LLC	11,282,780	5.50%
Teletch Services Corporation	9,387,210	4.57%
St Paul Fire & Marine Insurance Company	5,767,840	2.81%
Denver Meridian Gateway Equities LLC	5,693,970	2.77%
Maroon Englewood LLC	5,471,960	2.67%
Shea Properties	5,080,940	2.47%
Cognizant Trizetto Software Group Inc	4,731,950	2.30%
	<u>\$ 85,042,680</u>	<u>41.42%</u>

2020 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	\$ 140,528,360	78.34%	\$ -	0.00%
Personal	31,750,970	17.70%	1,065,260	4.11%
Vacant	1,934,510	1.08%	-	0.00%
Industrial	4,908,240	2.74%	-	0.00%
State Assessed	95,600	0.05%	3,000	0.01%
Residential	111,650	0.06%	24,856,960	95.88%
Agricultural	53,650	0.03%	-	0.00%
	<u>\$ 179,382,980</u>	<u>100.00%</u>	<u>\$ 25,925,220</u>	<u>100.00%</u>