

**MEADOWS METROPOLITAN DISTRICT NOS. 1-7  
ANNUAL REPORT FOR REPORT YEAR 2022  
TOWN OF CASTLE ROCK**

- A. A narrative summary of the progress of the Districts in implementing its service plan for the report year.**

The Consolidated Service Plan for Meadows Metropolitan Districts Nos. 1-7 was amended and restated on October 1, 1993. During the report year of 2022, Meadows Metropolitan District Nos. 1-7 continued with the development and build-out of the Meadows project and continued providing services to the portions of the projects as defined in the Consolidated Service Plan.

- B. Except when an exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of net position as of December 31 of the report year and the statement of activities for the report year.**

The Audits are attached as **Exhibit A**.

- C. Boundary Changes in the report year.**

No boundary changes were made during 2022 for any of the Districts.

- D. Intergovernmental Agreements entered into or terminated with other governmental entities during the report year.**

No Intergovernmental Agreements were entered into or terminated during the report year.

- E. Access Information to obtain a copy of rules and regulations adopted by the Boards.**

No rules and regulations or changes were adopted by the Districts in the report year of 2022.

- F. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year.**

Under agreements between the seven Districts comprising the Meadows Development, it is established that Meadows Metropolitan District No. 4 (Master District) will be the Master District for the Districts. The Master District is

otherwise responsible for completion of all capital improvements within the Districts. However, the Districts are jointly responsible for financing.

The Master District did not construct any public improvements during the report year, and the capital projects to be undertaken in the next five years consist of parks and recreation improvements.

- G. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year, and the current mill levy of the Districts pledged to debt retirement in the report year.**

Meadows Metropolitan District Nos. 1, 2, and 7 have incurred long term debt. Through the convention of the Regional Facilities Cost Sharing Agreement (reference Notes 6 and 7 of the audited financial statements) between the Districts, all of the Districts within The Meadows Planned Development are obligated for the repayment of the debts incurred by Meadows Metropolitan Districts Nos. 1, 2 and 7.

Further information regarding current financial obligations, outstanding indebtedness, new indebtedness and the amount of payment or retirement of existing debts may be found within Notes 4 and 5 of the audited financial statements.

The assessed valuations as certified by the Douglas County Assessor in 2022 for the Districts are as follows:

	12/2022
Meadows Metropolitan District No. 1	\$ 57,880,450
Meadows Metropolitan District No. 2	\$ 40,075,690
Meadows Metropolitan District No. 3	\$ 37,180,780
Meadows Metropolitan District No. 4	\$ 2,180
Meadows Metropolitan District No. 4 Debt Only	\$ 5,452,200
Meadows Metropolitan District No. 5	\$ 36,874,670
Meadows Metropolitan District No. 6	\$ 69,308,270
Meadows Metropolitan District No. 7	\$ 49,023,870

In regard to the current mill levy pledged to debt retirement, refer to the audited financial statements.

**H. The Districts' budgets for the calendar year in which the annual report is submitted.**

See the attached adopted budgets for 2023 and, if appropriate, budget amendments for 2022 **Exhibit B**.

**I. A summary of residential and commercial development which has occurred within the District for the report year.**

Incorporated herein by reference is the Meadows Metropolitan District Nos. 1-7 2022 Facilities Development Fee Town Reimbursement Log ("Log"). It is the belief of the Districts that this Log accurately reflects a summary of the residential development within the Districts for the year of 2022. See **Exhibit C**.

**J. A summary of all fees, charges and assessments imposed by the Districts as of January 1, of the report year.**

During the report year, Meadows Metropolitan District No. 1 assessed a \$1,200 facilities development fee per lot. Facilities development fee revenues generated during the report year, net of expenses, totaled \$ -0-.

During the report year, Meadows Metropolitan District No. 4 assessed a \$ 6,191 facilities development fee per lot, a \$3,630 capital reserve fee per lot, and a \$300 street oversizing fee per lot. Facilities development fee revenue generated during the report year, net of expenses, totaled \$1,261,774. Street oversizing fee revenue generated during the report year totaled \$62,069. Both fees were used for landscaping maintenance and debt service. The Town of Castle Rock retains a 0.25% administrative fee to cover its cost of collection on all facilities development fees it collects on behalf of the Districts.

**K. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the District.**

None.

**L. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.**

None.

**M. Certification of the Board that no action, event or condition enumerated in Section 11.02.060 of this Chapter has occurred in the report year.**

See certification below.

**N. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board.**

**BOARD OF DIRECTORS  
MEADOWS METROPOLITAN DISTRICT NO. 1  
AS OF JANUARY 1, 2023**

NAME OF BOARD MEMBER	ADDRESS	E-mail
Steven M. Thayer	3348 Elk Run Drive Castle Rock, Colorado 80109	<a href="mailto:stevethay@aol.com">stevethay@aol.com</a>
Eric R. Osterloh	4628 Cedar Glen Place Castle Rock, Colorado 80109	<a href="mailto:ericosterloh@gmail.com">ericosterloh@gmail.com</a>
Richard J. Morton	5241 Bear Paw Drive Castle Rock, Colorado 80109	<a href="mailto:comorton03@msn.com">comorton03@msn.com</a>
Lon Roush	4498 Buena Vista Court Castle Rock, Colorado 80109	<a href="mailto:roushrealestate@msn.com">roushrealestate@msn.com</a>
Steve Foster	5131 Bear Paw Drive Castle Rock, Colorado 80109	<a href="mailto:Sfoster1955@centurylink.net">Sfoster1955@centurylink.net</a>

**BOARD OF DIRECTORS  
MEADOWS METROPOLITAN DISTRICT NOS. 2-7  
AS OF JANUARY 1, 2023**

NAME OF BOARD MEMBER	BUSINESS ADDRESS	BUSINESS TELEPHONE and/or E-mail
Stephanie L. McCandless	3033 East First Avenue, Suite 410 Denver, Colorado 80206	303-394-5500
Kelly L. Beach	3033 East First Avenue, Suite 410 Denver, Colorado 80206	303-394-5500
Bruce Stokes	3033 East First Avenue, Suite 410 Denver, Colorado 80206	303-394-5500
Robert C. Hanisch	3033 East First Avenue, Suite 410 Denver, Colorado 8020	303-394-5500
Logan T. Jones	3033 East First Avenue, Suite 410 Denver, Colorado 80206	<a href="mailto:ljones@sturmgroup.com">ljones@sturmgroup.com</a>

**GENERAL COUNSEL**

Lisa K. Mayers (District Nos. 1-7)  
c/o Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203  
(303) 839-3800

**ACCOUNTANT**

Paul Niedermuller  
Seef Le Roux  
CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 600  
Greenwood Village, CO 80111-2811  
(303) 779-5710

## MEETINGS

The Board of Directors of District No. 1 have regularly scheduled quarterly meetings on the second Monday of February and the second Wednesday of May, August and November at 6:30 p.m., at The Taft House, 3750 Celestial Avenue, Castle Rock, Colorado, or at some other place as duly posted in compliance with statute including but not limited to virtual means.

The Boards of Directors of District Nos. 2-7 have a regularly scheduled a meeting on the third Wednesday of November, held at 3033 East First Avenue, Suite 300, Denver, Colorado, or at some other place as duly posted in compliance with statute including but not limited to virtual means.

## CERTIFICATION

ON BEHALF OF THE BOARDS OF DIRECTORS OF THE MEADOWS METROPOLITAN DISTRICTS NOS. 1-7, I HEREBY CERTIFY that no action, event or condition enumerated in Section 11.02.060 of the Intergovernmental Affairs Chapter for the Town of Castle Rock, Colorado, has occurred in the report year of 2022.



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Lisa K. Mayers  
Meadows Metropolitan District Nos. 1- 7

**Exhibit A**  
2022 Audits

**MEADOWS METROPOLITAN DISTRICT NO. 1  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**



**MEADOWS METROPOLITAN DISTRICT NO. 1  
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**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086

FAX: 720.348.2920

## **Independent Auditor's Report**

Board of Directors  
Meadows Metropolitan District No. 1  
Douglas County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Meadows Metropolitan District No. 1 (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Meadows Metropolitan District No. 1, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Responsibility of Management 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.

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that governmental 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information is listed in the table of contents and does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
June 21, 2023

## **BASIC FINANCIAL STATEMENTS**

**MEADOWS METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 1,025,867
Cash and Investments - Restricted	488,527
Due from District No. 4	20,811
Receivable - County Treasurer	12,851
Property Taxes Receivable	1,968,420
Capital Assets, Net	<u>78,068</u>
Total Assets	3,594,544
<b>LIABILITIES</b>	
Accounts Payable	4,179
Due to District No. 4	16,611
Noncurrent Liabilities	
Due in More Than One Year	<u>180,623,022</u>
Total Liabilities	180,643,812
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	<u>1,968,420</u>
Total Deferred Inflows of Resources	<u>1,968,420</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	78,068
Restricted for:	
Emergency Reserve	4,400
Debt Service	75,346
Capital Projects	429,592
Unrestricted	<u>(179,605,094)</u>
Total Net Position	<u>\$ (179,017,688)</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 1  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenue (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Government Activities:					
General Government	\$ 2,185,878	\$ -	\$ -	\$ -	\$ (2,185,878)
Culture and Recreation	39,976	-	35,952	-	(4,024)
Interest on Long-Term Debt	13,644,448	-	5,109,232	-	(8,535,216)
	<b>\$ 15,870,302</b>	<b>\$ -</b>	<b>\$ 5,145,184</b>	<b>\$ -</b>	<b>(10,725,118)</b>
<b>GENERAL REVENUES</b>					
Property Taxes					2,025,819
Specific Ownership Taxes					179,144
Interest Income					30,941
Other Revenue					100
Total General Revenues					<b>2,236,004</b>
<b>CHANGE IN NET POSITION</b>					<b>(8,489,114)</b>
Net Position - Beginning of Year					<u>(170,528,574)</u>
<b>NET POSITION - END OF YEAR</b>					<u><b>\$ (179,017,688)</b></u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 1  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Conservation Trust	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 1,025,867	\$ -	\$ -	\$ 1,025,867
Cash and Investments - Restricted	4,400	54,535	429,592	488,527
Due from District No. 4	-	20,811	-	20,811
Receivable - County Treasurer	12,851	-	-	12,851
Property Taxes Receivable	1,968,420	-	-	1,968,420
Total Assets	<b>\$ 3,011,538</b>	<b>\$ 75,346</b>	<b>\$ 429,592</b>	<b>\$ 3,516,476</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 4,179	\$ -	\$ -	\$ 4,179
Due to District No. 4	16,611	-	-	16,611
Total Liabilities	20,790	-	-	20,790
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	1,968,420	-	-	1,968,420
Total Deferred Inflows of Resources	1,968,420	-	-	1,968,420
<b>FUND BALANCES</b>				
Restricted For:				
Emergency Reserve	4,400	-	-	4,400
Debt Service	-	75,346	-	75,346
Capital Projects	-	-	429,592	429,592
Assigned to:				
Capital Improvements	494,340	-	-	494,340
Subsequent Year's Expenditures	511,258	-	-	511,258
Unassigned:	12,330	-	-	12,330
Total Fund Balances	1,022,328	75,346	429,592	1,527,266
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<b>\$ 3,011,538</b>	<b>\$ 75,346</b>	<b>\$ 429,592</b>	

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(30,730,000)
Accrued Interest Payable - Bonds	(149,893,022)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

78,068

Net Position of Governmental Activities

**\$ (179,017,688)**

See accompanying Notes to Basic Financial Statements.



**MEADOWS METROPOLITAN DISTRICT NO. 1  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Conservation Trust	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 2,025,819	\$ -	\$ -	\$ 2,025,819
Specific Ownership Taxes	179,144	-	-	179,144
Intergovernmental Revenue - District No. 4	-	5,109,232	-	5,109,232
Conservation Trust Entitlement	-	-	35,952	35,952
Interest Income	19,342	4,499	7,100	30,941
Other Revenue	100	-	-	100
Total Revenues	<u>2,224,405</u>	<u>5,113,731</u>	<u>43,052</u>	<u>7,381,188</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	25,769	-	-	25,769
Intergovernmental Expenditure - District No. 4	2,078,903	-	-	2,078,903
Audit	3,900	-	-	3,900
County Treasurer's Fees	30,402	-	-	30,402
Community Support	20,000	-	-	20,000
Directors' Fees	1,500	-	-	1,500
Dues and Membership	1,238	-	-	1,238
Election	1,468	-	-	1,468
Insurance	2,098	-	-	2,098
Legal	14,239	-	-	14,239
Payroll Taxes	115	-	-	115
Debt Service:				
Bond Interest	-	5,137,071	-	5,137,071
Capital Outlay				
Parks and Recreation	-	-	39,976	39,976
Total Expenditures	<u>2,179,632</u>	<u>5,137,071</u>	<u>39,976</u>	<u>7,356,679</u>
<b>NET CHANGE IN FUND BALANCES</b>	44,773	(23,340)	3,076	24,509
Fund Balances - Beginning of Year	<u>977,555</u>	<u>98,686</u>	<u>426,516</u>	<u>1,502,757</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 1,022,328</u></u>	<u><u>\$ 75,346</u></u>	<u><u>\$ 429,592</u></u>	<u><u>\$ 1,527,266</u></u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 1  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds	\$	24,509
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay 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 costs of any depreciable asset over the estimated useful life of the asset.</p>		
Depreciation		(6,246)
<p>Certain expenses, including accrued interest on bonds, 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.</p>		
Accrued Interest on Bonds - Change in Liability		<u>(8,507,377)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(8,489,114)</u></u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 1  
GENERAL FUND –  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 2,025,816	\$ 2,025,819	\$ 3
Specific Ownership Taxes	182,323	179,144	(3,179)
Interest Income	2,000	19,342	17,342
Other Revenue	100	100	-
Total Revenues	<u>2,210,239</u>	<u>2,224,405</u>	<u>14,166</u>
<b>EXPENDITURES</b>			
Current:			
Accounting	38,000	25,769	12,231
Audit	4,000	3,900	100
Community Support	20,000	20,000	-
Contingency	4,000	-	4,000
County Treasurer's Fee	30,387	30,402	(15)
Directors' Fees	2,000	1,500	500
Dues and Memberships	1,300	1,238	62
Election	1,000	1,468	(468)
Insurance and Bonds	2,300	2,098	202
Legal Services	12,000	14,239	(2,239)
Miscellaneous	200	-	200
Payroll Taxes	153	115	38
Intergovernmental Expense - District No. 4	2,064,752	2,078,903	(14,151)
Unallocated Priority Expenses	31,200	-	31,200
Capital Improvements	970,910	-	970,910
Total Expenditures	<u>3,182,202</u>	<u>2,179,632</u>	<u>1,002,570</u>
<b>NET CHANGE IN FUND BALANCES</b>	(971,963)	44,773	1,016,736
Fund Balance - Beginning of Year	<u>976,363</u>	<u>977,555</u>	<u>1,192</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,400</u>	<u>\$ 1,022,328</u>	<u>\$ 1,017,928</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 ORGANIZATION AND REPORTING ENTITY**

**Organization**

Meadows Metropolitan District No. 1 (the District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (the Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by District Nos. 1, 2, and 7, the Town may require that the Districts initiate dissolution procedures.

The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows Project (the Project).

Meadows Metropolitan District No. 4 (the District No. 4) is the Master District, which is responsible for the construction of the entire Project improvements and the allocation to each of the related districts of its proportional share of the costs incurred. The District has entered into a Regional Facilities Cost Sharing Agreement (see Note 8), whereby District No. 4 annually sets assessments to the other districts and collects all operating revenues except for property taxes and certain restricted revenues of the related districts.

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 all operations and administrative functions are contracted.

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

**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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

**MEADOWS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

Separate financial statements are provided for governmental funds. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Redemption of bonds is recorded as a reduction in liabilities.

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, specific ownership tax, and intergovernmental revenues. 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.

**MEADOWS METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The Capital Projects Fund - Conservation Trust Fund is used to account for financial resources to be used for the acquisition or construction and maintenance of recreational facilities.

**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 and other financing uses 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.

**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.

**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 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale 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 inflow of resources in the year they are levied and measurable. The unearned property taxes are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets, which include equipment, are reported in the governmental activities' column 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.

**MEADOWS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful life:

Equipment (Mobile Stage)	20 Years
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**Deferred Inflows of Resources**

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.

In the government-wide financial statement, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets; restricted; and unrestricted.

**Fund Balance**

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

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

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

**MEADOWS METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*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 balances 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, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 1,025,867
Cash and Investments - Restricted	488,527
Total Cash and Investments	\$ 1,514,394

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

Deposits with Financial Institutions	\$ 5,045
Investments	1,509,349
Total Cash and Investments	\$ 1,514,394

**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.



**MEADOWS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits with Financial Institutions (Continued)**

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.

At December 31, 2022, the District's cash deposits had a bank and a carrying balance of \$5,045.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

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

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

**MEADOWS METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government	Weighted-Average	
Liquid Asset Trust (COLOTRUST PLUS+)	Under 60 Days	\$ 1,025,222
Morgan Stanley Institutional Liquidity Fund -	Weighted-Average	
Treasury Securities Portfolio	Under 90 Days	54,535
Colorado Surplus Asset	Weighted-Average	
Fund Trust (CSAFE)	Under 60 Days	429,592
Total		<u>\$ 1,509,349</u>

**COLOTRUST**

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

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

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

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

**MEADOWS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Morgan Stanley Institutional Liquidity Funds**

The debt service money that is included in the trust accounts at United Missouri Bank is invested in the Morgan Stanley Institutional Liquidity Funds' Treasury Securities Portfolio. This portfolio is a money market fund that is managed by Morgan Stanley Investment Management and each share is equal in value to \$1.00. The fund is AAAM rated and invests exclusively in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury securities. The average maturity of the underlying securities is 90 days or less.

The fund records its investments based on amortized costs. The District records its investment in fund using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is not redemption notice period.

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable net asset value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAMmf and CSAFE CORE is rated AAAs/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**MEADOWS METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 CAPITAL ASSETS**

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

	Balance at January 1, 2022	Increases	Decreases	Balance at December 31, 2022
<u>Governmental Activities</u>				
Capital Assets, Being				
Depreciated:				
Equipment (Mobile Stage)	\$ 124,913	\$ -	\$ -	\$ 124,913
Total Capital Assets, Being Depreciated	124,913	-	-	124,913
Less: Accumulated Depreciation For:				
Equipment (Mobile Stage)	(40,599)	(6,246)	-	(46,845)
Total Accumulated Depreciation	(40,599)	(6,246)	-	(46,845)
Capital Assets, Net	<u>\$ 84,314</u>	<u>\$ (6,246)</u>	<u>\$ -</u>	<u>\$ 78,068</u>

Depreciation expense of \$6,246 was charged to the general government activities of the District for the year ended December 31, 2022.

**NOTE 5 LONG-TERM OBLIGATIONS**

The District's transactions relating to long-term debt during 2022 were as follows:

	Balance January 1, 2022	Additions	Payments	Balance December 31, 2022	Due Within One Year
General Obligation					
Bonds Series 1989A	\$ 30,730,000	\$ -	\$ -	\$ 30,730,000	\$ -
Accrued interest	141,385,645	13,644,448	5,137,071	149,893,022	-
Total	<u>\$ 172,115,645</u>	<u>\$ 13,644,448</u>	<u>\$ 5,137,071</u>	<u>\$ 180,623,022</u>	<u>\$ -</u>

**MEADOWS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

Additions to accrued interest include current interest, accrued interest, and compounded interest.

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

**General Obligation Bonds, Series 1989A**

The General Obligation Bonds, Series 1989A, are characterized as general obligation bonds with a "capped mill levy". Effective June 1, 2002, District Nos. 1 through 7 (inclusive) entered into the First Amendment to the Amended and Restated Indenture of Trust, which states that the remaining payments to the bond holders on the Series 1989 General Obligation Bonds will be made on a quarterly basis, instead of semi-annually. Therefore, interest of 7.999% is payable quarterly on March 1, June 1, September 1, and December 1 of each year. Any interest that is due and not paid at the end of each quarter is charged interest at a rate of 7.999% per annum. Unpaid current interest becomes accrued interest on December 1 of each year. Accrued interest compounds annually on December 1 of each year. The District's required payment on the bonds is limited to the proceeds generated from the limited mill levy of 35 mills and certain other revenues less priority expenses (see Note 7).

The bonds mature as of June 1, 2029. Interest will not accrue after the 40-year term. However, the Project will continue to set the limited mill levy until the bonds and accrued interest are paid in full. The Project is not entitled to prepay the bonds during the 40-year term. However, the Project may maintain a sinking fund for future principal payments, provided that all accrued and current interest has been paid. Priority of principal repayment can be assigned among and between the bondholders. Revenues received by the Project will be disbursed for the following (in order of priority):

1. Priority expenses (see Note 7)
2. Current interest
3. Accrued interest from and after March 5, 1993
4. Accrued interest from September 1, 1989, through March 4, 1993, amounting to \$15,659,228
5. Principal
6. Capital improvements

During 2022, under the terms of Regional Facilities Cost Sharing Agreement (see Note 8), District No. 4 computed District No. 1's net revenues available for debt service to be \$5,109,232.

Interest on the bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenues and cannot be predicted with certainty.

**MEADOWS METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Regional Facilities Cost Sharing Agreement (see Note 8)**

The District is liable for a portion of the total general obligation debt incurred by the other related districts constituting the Project. At December 31, 2022, the total outstanding bond debt (for District Nos. 1, 2 and 7) was \$70,000,000 plus accrued and compounding interest of \$342,416,014. The ultimate amount payable by the District is not determinable because the amounts to be paid in future years for both principal and interest are determined annually based on revenues and relative changes in assessed valuations among the seven districts.

The District relies on the development of the entire Project to provide revenues and cash flows sufficient to allow the District to pay its debt service obligations and those of District Nos. 2 and 7 in future years. System development fees and property taxes will depend on future development and cannot be predicted with certainty.

**Debt Authorization**

As of December 31, 2022, the District has no authorized but unissued debt.

**NOTE 6 NET POSITION**

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investment in capital assets totaling \$78,068.

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

	Governmental Activities
Restricted Net Position:	
Emergency Reserves (See Note 12)	\$ 4,400
Debt Service (See Note 5)	75,346
Conservation Trust Fund	429,592
Total Restricted Net Position	\$ 509,338

**MEADOWS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6 NET POSITION (CONTINUED)**

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued and compounding accrued interest for the construction of public improvements conveyed to other government entities.

**NOTE 7 FUND BALANCES**

At December 31, 2022, the District reported the following classifications of fund equity.

**Restricted Fund Balance**

The restricted fund balance in the amount of \$4,400 in the General Fund is comprised of the Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the state of Colorado (see Note 12).

The restricted fund balance in the Debt Service Fund in the amount of \$75,346 is to be used exclusively for debt service requirements (see Note 5).

The restricted fund balance in the Conservation trust Fund in the amount of \$429,592 is unspent funding from the state of Colorado – Conservation Trust Fund and is to be used for allowable capital projects.

**Assigned Fund Balance**

The assigned fund balance of \$494,340 in the General Fund is to be used for improvements of its streets, right of way and irrigation facilities.

The assigned fund balance in the General Fund in the amount of \$511,258 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

**Unassigned Fund Balance**

The unassigned fund balance in the General Fund in the amount of \$12,330 is for all spendable amounts not contained in the other classifications.

**NOTE 8 REGIONAL FACILITIES COST SHARING AGREEMENT**

In September 1988, the District and the other six related districts entered into a Regional Facilities Cost Sharing Agreement. In 1993, the restated Fifth Amendment to this agreement was executed, and in 1994, the Sixth Amendment to this agreement became operational. The intent of these agreements is to have an equal mill levy throughout the Project and to participate fairly and equitably in the joint funding of operations and maintenance of the Project, the associated debt service costs of the Project, and the financing of Project facilities as defined in the intergovernmental agreement with the Town (see Note 9).

**MEADOWS METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 8 REGIONAL FACILITIES COST SHARING AGREEMENT (CONTINUED)**

District No. 4 has been specified to coordinate and manage the operations and debt service payments of the districts. District No. 4 receives the system development fees and other revenues of the Project (District Nos. 1 through 7) and collects property taxes and interest on behalf of District Nos. 2 through 7. The District collects its own property taxes, interest and Conservation Trust Fund entitlements.

Priority expenses of the Project include the following: costs of revenue collection, operations, and maintenance expenses in an amount not to exceed \$200,000 per year, water service fees, and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$115,000 in 2022 as adjusted for inflation) is designated to be spent by District No. 1 for District No. 1's administration. The remainder (\$313,000 in 2022 as adjusted for inflation) is to be spent by District No. 4 as Master District for the Project.

Normal debt service-related costs such as paying agent fees and trustee fees and bond issuance costs have not been included in priority expenses. Written notice to this effect was provided to the bondholders.

Priority expenses are allocated to the districts as administration charges based upon each individual district's percentage of assessed valuation to the total assessed valuation of the Project.

The Project revenues collected by District No. 4, to the extent not required to fund priority expenses and capital improvements of the Project approved by the bondholders, are to be allocated to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued and outstanding of District Nos. 1, 2 and 7.

Property taxes and other revenues of the other districts in the Project which are in excess of the individual districts' allocated share of priority expenses are to be allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as described above.

**NOTE 9 INTERGOVERNMENTAL AGREEMENT – TOWN OF CASTLE ROCK**

The District, together with the related contiguous districts, entered into an Intergovernmental Agreement (the Agreement) with the Town, dated December 1, 1991, and as amended on October 1, 1993, and December 12, 1996. The Agreement defines the responsibilities of the Town and the District with regard to the development of infrastructure, provision of services, maintenance responsibilities, and collection of system development fees. Additionally, the Town has oversight responsibilities and powers as to the District's future debt transactions and the District's ability to impose and collect future fees.

The District has transferred title to its facilities, water rights, and wastewater system capacity to the Town. The Districts do not have any commitment to develop additional facilities to serve the Project, other than those described below.



**MEADOWS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 9 INTERGOVERNMENTAL AGREEMENT – TOWN OF CASTLE ROCK (CONTINUED)**

The Town currently maintains and operates the District facilities, except for maintaining certain landscaping. The Town charges users directly for water, sewer and irrigation water. The Town retains a 0.25% administrative fee to cover its cost of collection on all system development fees it collects on behalf of the Districts.

The District's landscape responsibilities relate to the maintenance of public street right-of-way, which is the landscaping between the right-of-way and the street curbing, as well as within street medians.

The Agreement further provides that when the water or wastewater capacities are fully utilized, the Districts and Town may agree that the Town will finance the development of additional water or wastewater capacity, and consequently, the Town will be entitled to recover its costs, including interest, from system development fees currently being collected by the Town. In 2007, the wastewater capacity maximum was reached, and the Town started to keep a portion of the wastewater system development fee.

The Project had an obligation to provide financial support in the amount of \$500,000 for the East Plum Creek Trail. The Town had directly deposited, into an escrow held by a trustee for District No. 4, system development fees totaling \$500,000 in satisfaction of the East Plum Creek Trail obligation. Interest income generated from the escrow is allocated to District Nos. 1, 2 and 7 to be used for debt service. In 2009, the Project (through District No. 4, the Operating District) remitted \$435,284 to the Town in connection with the East Plum Creek Trail and \$1,000 to the Trustee for fees related to managing the account. As of December 31, 2022, the remaining balance in the East Plum Creek Trail escrow account, net of Trustee fees, was \$53,600.

On June 16, 2015, the Agreement was amended (Third Amendment to Master Intergovernmental Agreement). Among other items, the third amendment to the Agreement provides that, after July 1, 2015, a portion of the system development fee that is being retained by the Town (capital reserve fee) will be imposed as a District Fee and collected by the Town and remitted to the Districts. The capital reserve fee may be increased by the Districts at the rate of not more than 5% per annum, compounded on each January 1 through the term of the Agreement. For 2022, the District increased its capital reserve fee by 5%. Additionally, the third amendment to the Agreement amended the allocation of the system development fee as follows: (i) the Town will retain the treatment component of the water system development fee when the demand for municipal water within the Project exceeds 7,548 SFEs, and (ii) beginning on July 1, 2015, the Town will retain 90% of the wastewater system development fee; provided that if the treatment component is less than 90%, the Town's retained portion shall reduce to reflect such actual treatment component percentage; however, if the treatment component is higher than 90%, the Town shall never retain more than 90% of the wastewater system development fee. On May 31, 2022, the Project had exceeded 7,548 SFEs used. As of December 31, 2022, the District had a total count of 7,630 SFEs used.

**MEADOWS METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 INTERGOVERNMENTAL AGREEMENT – TOWN OF CASTLE ROCK (CONTINUED)**

For building permits issued within the boundaries of the District only, builders pay an additional system development fee in the amount of \$1,200. The District uses this additional revenue for the improvement of its streets right of way and irrigation facilities, which are District's obligation under the Agreement. It is the intention of the District to utilize the revenue generated from the \$1,200 system development fee in defraying costs related to improving streets and irrigation facilities so that tax revenues are used for other operational costs and, primarily, to satisfy its obligation to pay the principal and accrued interest on the 1989 Bonds (see Note 5). The cumulative revenues generated from the \$1,200 system development fees, net of eligible expenditures, are reflected as a Fund Balance Assigned for Capital Improvements in the amount of \$494,340.

**NOTE 10 RELATED PARTIES**

Prior to January 1, 2019, Castle Rock Bonds L.L.C. was the owner of a portion of the bonds issued by District Nos. 1, 2, and 7. Castle Rock Development Company is the owner of a majority of the undeveloped real property in District Nos. 2 through 7. Castle Rock Bonds L.L.C. and Castle Rock Development Company are related companies. During 2019, Castle Rock Bonds, LLC sold their portion of the bonds to a third party.

**NOTE 11 RISK MANAGEMENT**

Districts Nos. 1 through 7 are 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 (the 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 Districts pay annual premiums to the Pool for liability and public officials' liability 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.

**MEADOWS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS**

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.

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.

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, will require judicial interpretation.

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

**Butterfield Park Project Commitment**

As of December 31, 2022, the District had committed to funding \$500,000 to the Town of Castle Rock for the Butterfield Park Project. Subsequently, the District committed an additional \$100,000 to funding the Butterfield Park Project, totaling payments of \$600,000 in 2023.

## **SUPPLEMENTARY INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenues -			
District No. 4	\$ 5,084,047	\$ 5,109,232	\$ 25,185
Interest Income	200	4,499	4,299
Other Income	115,753	-	(115,753)
Total Revenues	<u>5,200,000</u>	<u>5,113,731</u>	<u>(86,269)</u>
<b>EXPENDITURES</b>			
Debt Service:			
Bond Interest	5,084,247	5,137,071	(52,824)
Contingency	115,753	-	115,753
Total Expenditures	<u>5,200,000</u>	<u>5,137,071</u>	<u>62,929</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(23,340)	(23,340)
Fund Balance - Beginning of Year	<u>-</u>	<u>98,686</u>	<u>98,686</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 75,346</u>	<u>\$ 75,346</u>

**MEADOWS METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Conservation Trust Fund	\$ 51,000	\$ 35,952	\$ (15,048)
Interest Income	500	7,100	6,600
Total Revenues	<u>51,500</u>	<u>43,052</u>	<u>(8,448)</u>
<b>EXPENDITURES</b>			
Parks and Recreation	421,766	39,976	381,790
Trail Amenities	50,000	-	50,000
Total Expenditures	<u>471,766</u>	<u>39,976</u>	<u>431,790</u>
<b>NET CHANGE IN FUND BALANCE</b>	(420,266)	3,076	423,342
Fund Balance - Beginning of Year	<u>420,266</u>	<u>426,516</u>	<u>6,250</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 429,592</u></u>	<u><u>\$ 429,592</u></u>

## **OTHER INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 1  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied (A)		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 49,014,960	6.381	28.619	\$ 1,715,527	\$ 1,715,527	100.00%
2019	48,989,850	6.381	28.619	1,714,645	1,714,556	99.99
2020	54,638,300	6.036	28.964	1,912,341	1,910,151	99.89
2021	54,729,360	6.364	28.636	1,915,528	1,916,950	100.07
2022	57,880,460	6.351	28.649	2,025,816	2,025,819	100.00
Estimated for the Year Ending December 31, 2023	\$ 56,240,560	6.895	28.105	\$ 1,968,420		

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

(A) The District levied 35 mills in total as required by the General Obligation Bonds, Series 1989A.



**MEADOWS METROPOLITAN DISTRICT NO. 2  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**MEADOWS METROPOLITAN DISTRICT NO. 2  
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**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

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HIGHLANDS RANCH, CO 80163

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## **Independent Auditor's Report**

Board of Directors  
Meadows Metropolitan District No. 2  
Douglas County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Meadows Metropolitan District No. 2 (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Meadows Metropolitan District No. 2, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Responsibility of Management 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.

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that governmental 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information is listed in the table of contents and does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
June 27, 2023

## **BASIC FINANCIAL STATEMENTS**

**MEADOWS METROPOLITAN DISTRICT NO. 2  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments - Restricted	\$ 42,141
Receivable - County Treasurer	9,156
Due from District No. 4	225,582
Property Taxes Receivable	1,402,649
Total Assets	1,679,528
<b>LIABILITIES</b>	
Due to District No. 4	9,156
Noncurrent Liabilities:	
Due in More than One Year	140,586,109
Total Liabilities	140,595,265
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Taxes Revenue	1,402,649
Total Deferred Inflows of Resources	1,402,649
<b>NET POSITION</b>	
Restricted for:	
Debt Service	58,222
Capital Projects	209,501
Unrestricted	(140,586,109)
Total Net Position	\$ (140,318,386)

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 1,571,700	\$ -	\$ -	\$ -	\$ (1,571,700)
Culture and Recreation	-	-	23,834	-	23,834
Interest on Long-Term Debt	<u>10,618,711</u>	<u>-</u>	<u>3,948,043</u>	<u>-</u>	<u>(6,670,668)</u>
Total Governmental Activities	<u>\$ 12,190,411</u>	<u>\$ -</u>	<u>\$ 3,971,877</u>	<u>\$ -</u>	(8,218,534)
<b>GENERAL REVENUES</b>					
Property Taxes					1,443,351
Specific Ownership Taxes					127,636
Interest Income					6,225
Total General Revenues					<u>1,577,212</u>
<b>CHANGE IN NET POSITION</b>					(6,641,322)
Net Position - Beginning of Year					<u>(133,677,064)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ (140,318,386)</u>

See accompanying Notes to Basic Financial Statements.



**MEADOWS METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects - Conservation Trust	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments - Restricted	\$ -	\$ 42,141	\$ -	\$ 42,141
Receivable - County Treasurer	9,156	-	-	9,156
Due from District No. 4	-	16,081	209,501	225,582
Property Taxes Receivable	1,402,649	-	-	1,402,649
Total Assets	\$ 1,411,805	\$ 58,222	\$ 209,501	\$ 1,679,528
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to District No. 4	\$ 9,156	\$ -	\$ -	\$ 9,156
Total Liabilities	9,156	-	-	9,156
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	1,402,649	-	-	1,402,649
Total Deferred Inflows of Resources	1,402,649	-	-	1,402,649
<b>FUND BALANCES</b>				
Restricted for:				
Debt Service	-	58,222	-	58,222
Capital Projects	-	-	209,501	209,501
Total Fund Balances	-	58,222	209,501	267,723
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,411,805	\$ 58,222	\$ 209,501	
Amounts reported for governmental activities in the statement of net position are different because:				
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(23,830,000)
Accrued Interest Payable - Bonds				(116,756,109)
Net Position of Governmental Activities				\$ (140,318,386)

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects - Conservation Trust	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 1,443,351	\$ -	\$ -	\$ 1,443,351
Specific Ownership Taxes	127,636	-	-	127,636
Intergovernmental Revenue - District No. 4	-	3,948,043	-	3,948,043
Conservation Trust Entitlement	-	-	23,834	23,834
Interest Income	713	3,477	2,035	6,225
Total Revenues	<u>1,571,700</u>	<u>3,951,520</u>	<u>25,869</u>	<u>5,549,089</u>
<b>EXPENDITURES</b>				
Current:				
Intergovernmental Expenditure - District No. 4	1,550,039	-	-	1,550,039
County Treasurer's Fees	21,661	-	-	21,661
Debt Service:				
Bond Interest	-	3,969,556	-	3,969,556
Total Expenditures	<u>1,571,700</u>	<u>3,969,556</u>	<u>-</u>	<u>5,541,256</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(18,036)	25,869	7,833
Fund Balances - Beginning of Year	<u>-</u>	<u>76,258</u>	<u>183,632</u>	<u>259,890</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 58,222</u>	<u>\$ 209,501</u>	<u>\$ 267,723</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 7,833

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

Certain expenses, including accrued interest on bonds, reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability (6,649,155)

Change in Net Position of Governmental Activities \$ (6,641,322)

**MEADOWS METROPOLITAN DISTRICT NO. 2  
GENERAL FUND –  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,443,349	\$ 1,443,351	\$ 2
Specific Ownership Taxes	129,901	127,636	(2,265)
Interest Income	-	713	713
Other Income	16,750	-	(16,750)
Total Revenues	<u>1,590,000</u>	<u>1,571,700</u>	<u>(18,300)</u>
<b>EXPENDITURES</b>			
Current:			
Intergovernmental Expenditure - District No. 4	1,551,600	1,550,039	1,561
County Treasurer's Fees	21,650	21,661	(11)
Contingency	16,750	-	16,750
Total Expenditures	<u>1,590,000</u>	<u>1,571,700</u>	<u>18,300</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

**Organization**

Meadows Metropolitan District No. 2 (the District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (the Town). The District was established primarily to finance the construction of water, sewer, and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by District Nos. 1, 2, and 7, the Town may require that the Districts initiate dissolution procedures.

The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows Project (the Project).

Meadows Metropolitan District No. 4 (District No. 4) is the Master District, which is responsible for the construction of the entire Project improvements and the allocation to each of the related Districts of its proportional share of the costs incurred. The District has entered into a Regional Facilities Cost Sharing Agreement (see Note 6), whereby District No. 4 annually sets assessments to the other Districts and collects all operating revenues except for property taxes and certain restricted revenues of the related Districts.

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 all operations and administrative functions are contracted.

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

**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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

**MEADOWS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

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

Separate financial statements are provided for the governmental funds. Major individual governmental 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Redemption of bonds are recorded as a reduction in liabilities.

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 District 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 and intergovernmental revenues. 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 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 general obligation debt of the governmental funds.

The Capital Projects - Conservation Trust Fund is used to account for financial resources to be used for the acquisition or construction and maintenance of recreational facilities.

**MEADOWS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 and other financing uses 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 amended its annual budget for the year ended December 31, 2022.

**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 inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

**Deferred Inflows of Resources**

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.

**MEADOWS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Net Position (Continued)**

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

*Net Investment in Capital Assets* – this component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component.

*Restricted* – this component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors, or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

*Unrestricted* – the component of net position that does not meet the definitions above.

**Fund Balance**

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

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

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

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



**MEADOWS METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*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, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	\$ 42,141
Total Cash and Investments	\$ 42,141

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

Investments	\$ 42,141
Total Cash and Investments	\$ 42,141

**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.

At December 31, 2022, the District had no cash deposits.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Morgan Stanley Institutional Liquidity Fund - Treasury Securities Portfolio	Weighted-Average Under 90 Days	\$ 42,141

**Morgan Stanley Institutional Liquidity Funds**

The debt service money that is included in the trust accounts at United Missouri Bank is invested in the Morgan Stanley Institutional Liquidity Funds' Treasury Securities Portfolio. This portfolio is a money market fund that is managed by Morgan Stanley Investment Management and each share is equal in value to \$1.00. The fund is AAAM rated and invests exclusively in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury securities. The average maturity of the underlying securities is 90 days or less.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Morgan Stanley Institutional Liquidity Funds (Continued)**

The fund records its investments based in amortized costs. The District records its investment in fund using the net asset value method, There are no unfunded commitments, the redemption frequency is daily and there is not redemption notice period.

**NOTE 4 LONG-TERM OBLIGATIONS**

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

	Balance January 1, 2022	Additions	Payments	Balance December 31, 2022	Due Within One Year
General Obligation Bonds:					
Series 1989B	\$ 23,830,000	\$ -	\$ -	\$ 23,830,000	\$ -
Accrued Interest	110,106,954	10,618,711	3,969,556	116,756,109	-
Total	<u>\$ 133,936,954</u>	<u>\$ 10,618,711</u>	<u>\$ 3,969,556</u>	<u>\$ 140,586,109</u>	<u>\$ -</u>

Additions to accrued interest include current interest, accrued interest, and compounded interest.

The details of the District’s long-term debt are as follows:

**General Obligation Bonds, Series 1989B**

The General Obligation Bonds, Series 1989B, are characterized as general obligation bonds with a “capped mill levy.” Effective June 1, 2002, District Nos. 1 through 7 (inclusive) entered into the First Amendment to the Amended and Restated Indenture of Trust, which states that the remaining payments to the bond holders on the Series 1989 General Obligation Bonds will be made on a quarterly basis, instead of semi-annually. Therefore, interest of 7.999% is payable quarterly on March 1, June 1, September 1 and December 1 of each year. Any interest that is due and not paid at the end of each quarter is charged interest at a rate of 7.999% per annum. Unpaid current interest becomes accrued interest on December 1 of each year. Accrued interest compounds annually on December 1 of each year. The District’s required payment on the bonds is limited to the proceeds generated from the limited mill levy of 35 mills and certain other revenues less priority expenses (see Note 6).

**MEADOWS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds, Series 1989B (Continued)**

The bonds mature as of June 1, 2029. Interest will not accrue after the 40-year term. However, the Project will continue to set the limited mill levy until the bonds and accrued interest are paid in full. The Project is not entitled to prepay the bonds during the 40-year term. However, the Project may maintain a sinking fund for future principal payments, provided that all accrued and current interest has been paid. Priority of principal repayment can be assigned among and between the bondholders. Revenues received by the Project will be disbursed for the following (in order of priority):

1. Priority expenses (see Note 6)
2. Current interest
3. Accrued interest from and after March 5, 1993
4. Accrued interest from September 1, 1989, through March 4, 1993, amounting to \$15,659,228
5. Principal
6. Capital improvements

During 2022, under the terms of the Regional Facilities Cost Sharing Agreement (see Note 6), District No. 4 computed District No. 2's net revenues available for debt service to be \$3,948,043.

Interest on the bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenues and cannot be predicted with certainty.

**Regional Facilities Cost Sharing Agreement (see Note 6)**

The District is liable for a portion of the total general obligation debt incurred by the other related Districts constituting the Project. At December 31, 2022, the total outstanding bond debt (for District Nos. 1, 2, and 7) was \$70,000,000 plus accrued and compounding interest of \$342,416,014. The ultimate amount payable by the District is not determinable because the amounts to be paid in future years for both principal and interest are determined annually based on revenues and relative changes in assessed valuations among the seven Districts.

The District relies on the development of the entire Project to provide revenues and cash flows sufficient to allow the District to pay its debt service obligations and those of District Nos. 1 and 7 in future years. System development fees and property taxes will depend on future development and cannot be predicted with certainty.

**Debt Authorization**

As of December 31, 2022, the District has no authorized but unissued debt.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 NET POSITION**

The District has net position consisting of two components - restricted and unrestricted.

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

	Governmental Activities
Restricted Net Position:	
Debt Service	\$ 58,222
Capital Projects	209,501
Total Restricted Net Position	\$ 267,723

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued and compounding accrued interest for the construction of public improvements conveyed to other government entities.

**NOTE 6 REGIONAL FACILITIES COST SHARING AGREEMENT**

In September 1988, the District and the other six related Districts entered into a Regional Facilities Cost Sharing Agreement. In 1993, the restated Fifth Amendment to this agreement was executed, and in 1994, the Sixth Amendment to this agreement became operational. The intent of these agreements is to have an equal mill levy throughout the Project and to participate fairly and equitably in the joint funding of operations and maintenance of the Project, the associated debt service costs of the Project, and the financing of Project facilities as defined in the intergovernmental agreement with the Town of Castle Rock (see Note 7).

District No. 4 has been specified to coordinate and manage the operations and debt service payments of the Districts. District No. 4 receives the system development fees and other revenues of the Project (District Nos. 1 through 7) and collects property taxes and interest on behalf of District Nos. 2 through 7. District No. 1 collects its own property taxes, interest, and Conservation Trust Fund entitlements.

Priority expenses of the Project include the following: costs of revenue collection, operations, and maintenance expenses in an amount not to exceed \$200,000 per year, water service fees, and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$115,000 in 2022 as adjusted for inflation) is designated to be spent by District No. 1 for District No. 1's administration. The remainder (\$313,000 in 2022 as adjusted for inflation) is to be spent by District No. 4 as Master District for the Project.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 6 REGIONAL FACILITIES COST SHARING AGREEMENT (CONTINUED)**

Normal debt service-related costs such as paying agent fees and trustee fees and bond issuance costs have not been included in priority expenses. Written notice to this effect was provided to the bondholders.

Priority expenses are allocated to the Districts as administration charges based upon each individual District's percentage of assessed valuation to the total assessed valuation of the Project.

The Project revenues collected by District No. 4, to the extent not required to fund priority expenses and capital improvements of the Project approved by the bondholders, are to be allocated to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued and outstanding of District Nos. 1, 2, and 7.

Property taxes and other revenues of the other Districts in the Project which are in excess of the individual District's allocated share of priority expenses are to be allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as described above.

**NOTE 7 INTERGOVERNMENTAL AGREEMENT – TOWN OF CASTLE ROCK**

The District, together with the related contiguous Districts, entered into an Intergovernmental Agreement (the Agreement) with the Town, dated December 1, 1991, and amended on October 1, 1993, and December 12, 1996. The Agreement defines the responsibilities of the Town and the District with regard to the development of infrastructure, provision of services, maintenance responsibilities, and collection of system development fees. Additionally, the Town has oversight responsibilities and powers as to the District's future debt transactions and the District's ability to impose and collect future fees.

The District has transferred title to its facilities, water rights, and wastewater system capacity to the Town. The Districts do not have any commitment to develop additional facilities to serve the Project other than those described below.

The Town currently maintains and operates the District facilities, except for maintaining certain landscaping. The Town charges users directly for water, sewer, and irrigation water. The Town retains a 0.25% administrative fee to cover its cost of collection on all system development fees it collects on behalf of the Districts.

The District's landscape responsibilities relate to the maintenance of public street right-of-way, which is the landscaping between the right-of-way and the street curbing, as well as within street medians.

**MEADOWS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 INTERGOVERNMENTAL AGREEMENT – TOWN OF CASTLE ROCK (CONTINUED)**

The Agreement further provides that when the water or wastewater capacities are fully utilized, the Districts and Town may agree that the Town will finance the development of additional water or wastewater capacity and, consequently, the Town will be entitled to recover its costs, including interest, from system development fees currently being collected by the Town. In 2007, the wastewater capacity maximum was reached, and the Town started to keep a portion of the wastewater system development fee.

On June 16, 2015, the Agreement was amended (Third Amendment to Master Intergovernmental Agreement). Among other items, the third amendment to the Agreement provides that, after July 1, 2015, a portion of the system development fee that is being retained by the Town (capital reserve fee) will be imposed as a District Fee and collected by the Town and remitted to the Districts. The capital reserve fee may be increased by the Districts at the rate of not more than 5% per annum, compounded on each January 1 through the term of the Agreement. Additionally, the third amendment to the Agreement amended the allocation of the system development fee as follows: (i) the Town will retain the treatment component of the water system development fee when the demand for municipal water within the Project exceeds 7,548 SFEs; and (ii) beginning on July 1, 2015, the Town will retain 90% of the wastewater system development fee, provided that if the treatment component is less than 90%, the Town's retained portion shall reduce to reflect such actual treatment component percentage; however, if the treatment component is higher than 90%, the Town shall never retain more than 90% of the wastewater system development fee. On May 31, 2022, the Project had exceeded 7,548 SFEs used. As of December 31, 2022, the Project had a total count of 7,630 SFEs used.

The Project had an obligation to provide financial support in the amount of \$500,000 for the East Plum Creek Trail. The Town had directly deposited, into an escrow held by a trustee for District No. 4, system development fees totaling \$500,000 in satisfaction of the East Plum Creek Trail obligation. Interest income generated from the escrow is allocated to District Nos. 1, 2, and 7 to be used for debt service. In 2009, the Project (through District No. 4, the Operating District) remitted \$435,284 to the Town in connection with the East Plum Creek Trail and \$1,000 to the Trustee for fees related to managing the account. As of December 31, 2022, the remaining balance in the East Plum Creek Trail escrow account was \$53,600.

**NOTE 8 RELATED PARTIES**

The Developer of the property is Castle Rock Development Company (the Developer). All members of the Board of Directors are officers or employees associated directly or indirectly with these companies and may have conflicts of interest in dealing with the Districts.

**MEADOWS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 9 RISK MANAGEMENT**

District Nos. 1 through 7 are exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the 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 and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

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.

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.

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. Since the District's net revenue is transferred entirely to District No. 4 for, primarily, debt service of bonds issued for the benefit of the entire Project (see Note 6), an emergency reserve has not been provided. An emergency reserve has been established in District No. 4's Special Revenue Fund as of December 31, 2022.

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 will require judicial interpretation.



## **SUPPLEMENTARY INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue - District No. 4	\$ 3,928,582	\$ 3,948,043	\$ 3,948,043	\$ -
Interest Income	100	3,500	3,477	(23)
Other Income	31,318	28,457	-	(28,457)
Total Revenues	<u>3,960,000</u>	<u>3,980,000</u>	<u>3,951,520</u>	<u>(28,480)</u>
<b>EXPENDITURES</b>				
Debt Service:				
Bond Interest	3,928,682	3,951,543	3,969,556	(18,013)
Contingency	31,318	28,457	-	28,457
Total Expenditures	<u>3,960,000</u>	<u>3,980,000</u>	<u>3,969,556</u>	<u>10,444</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(18,036)	(18,036)
Fund Balance - Beginning of Year	-	-	76,258	76,258
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,222</u>	<u>\$ 58,222</u>

**MEADOWS METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND – CONSERVATION TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Conservation Trust Entitlement	\$ 16,000	\$ 23,834	\$ 7,834
Interest Income	200	2,035	1,835
Total Revenues	<u>16,200</u>	<u>25,869</u>	<u>9,669</u>
<b>EXPENDITURES</b>			
Recreation Facilities	198,147	-	198,147
Total Expenditures	<u>198,147</u>	<u>-</u>	<u>198,147</u>
<b>NET CHANGES IN FUND BALANCES</b>	(181,947)	25,869	207,816
Fund Balance - Beginning of Year	<u>181,947</u>	<u>183,632</u>	<u>1,685</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 209,501</u></u>	<u><u>\$ 209,501</u></u>

## **OTHER INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 35,329,870	0.000	35.000	\$ 1,234,095	\$ 1,234,098	100.00 %
2019	35,261,670	0.000	35.000	1,234,158	1,234,160	100.00
2020	38,758,690	0.000	35.000	1,356,554	1,356,556	100.00
2021	38,791,660	0.000	35.000	1,357,708	1,357,710	100.00
2022	41,238,550	0.000	35.000	1,443,349	1,443,351	100.00
Estimated for Year Ending December 31, 2023	\$ 40,075,690	0.000	35.000	\$ 1,402,649		

**NOTE:**

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**MEADOWS METROPOLITAN DISTRICT NO. 3  
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## Independent Auditor's Report

Board of Directors  
Meadows Metropolitan District No. 3  
Douglas County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Meadows Metropolitan District No. 3 (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Meadows Metropolitan District No. 3, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Responsibility of Management 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.

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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



individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that governmental 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information is listed in the table of contents and does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
June 27, 2023

## **BASIC FINANCIAL STATEMENTS**

**MEADOWS METROPOLITAN DISTRICT NO. 3  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Receivable - County Treasurer	\$ 8,074
Due from District No. 4	52,005
Property Taxes Receivable	1,301,327
Total Assets	1,361,406
<b>LIABILITIES</b>	
Due to District No. 4	8,074
Total Liabilities	8,074
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Taxes Revenue	1,301,327
Total Deferred Inflows of Resources	1,301,327
<b>NET POSITION</b>	
Restricted For:	
Capital Projects	52,005
Total Net Position	\$ 52,005

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenue (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 1,386,009	\$ -	\$ -	\$ -	\$ (1,386,009)
Culture and Recreation	-	-	20,208	-	20,208
Total Governmental Activities	\$ 1,386,009	\$ -	\$ 20,208	\$ -	(1,365,801)
 <b>GENERAL REVENUES</b>					
Property Taxes					1,273,194
Specific Ownership Taxes					112,548
Interest Income					1,993
Total General Revenues					1,387,735
 <b>CHANGE IN NET POSITION</b>					
					21,934
Net Position - Beginning of Year					30,071
 <b>NET POSITION - END OF YEAR</b>					
					\$ 52,005

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Capital Projects - Conservation Trust	Total Governmental Funds
<b>ASSETS</b>			
Receivable - County Treasurer	\$ 8,074	\$ -	\$ 8,074
Due from District No. 4	-	52,005	52,005
Property Taxes Receivable	1,301,327	-	1,301,327
Total Assets	\$ 1,309,401	\$ 52,005	\$ 1,361,406
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to District No. 4	\$ 8,074	\$ -	\$ 8,074
Total Liabilities	8,074	-	8,074
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Taxes Revenue	1,301,327	-	1,301,327
Total Deferred Inflows of Resources	1,301,327	-	1,301,327
<b>FUND BALANCES</b>			
Restricted For:			
Capital Projects	-	52,005	52,005
Total Fund Balances	-	52,005	52,005
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,309,401	\$ 52,005	\$ 1,361,406

Amounts reported for governmental activities in the statement of net position are the same as above.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Capital Projects - Conservation Trust	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 1,273,194	\$ -	\$ 1,273,194
Specific Ownership Taxes	112,548	-	112,548
Conservation Trust Entitlement	-	20,208	20,208
Interest Income	267	1,726	1,993
Total Revenues	1,386,009	21,934	1,407,943
<b>EXPENDITURES</b>			
Current:			
Intergovernmental Expenditure - District No. 4	1,366,914	-	1,366,914
County Treasurer's Fees	19,095	-	19,095
Total Expenditures	1,386,009	-	1,386,009
<b>NET CHANGE IN FUND BALANCES</b>	-	21,934	21,934
Fund Balances - Beginning of Year	-	30,071	30,071
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 52,005	\$ 52,005

Amounts reported for governmental activities in the statement of net position are the same as above.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,272,730	\$ 1,273,194	\$ 464
Specific Ownership Taxes	114,546	112,548	(1,998)
Interest Income	300	267	(33)
Other Revenue	12,424	-	(12,424)
Total Revenues	1,400,000	1,386,009	(13,991)
<b>EXPENDITURES</b>			
Current:			
Intergovernmental Expenditure - District No. 4	1,368,485	1,366,914	1,571
County Treasurer's Fees	19,091	19,095	(4)
Contingency	12,424	-	12,424
Total Expenditures	1,400,000	1,386,009	13,991
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.



**MEADOWS METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 ORGANIZATION AND REPORTING ENTITY**

**Organization**

Meadows Metropolitan District No. 3 (District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (the Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by District Nos. 1, 2, and 7, the Town may require that the Districts initiate dissolution procedures.

The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows Project (Project).

Meadows Metropolitan District No. 4 (District No. 4) is the Master District, which is responsible for the construction of the entire Project improvements and the allocation to each of the related districts of its proportional share of the costs incurred. The District has entered into a Regional Facilities Cost Sharing Agreement (see Note 6), whereby District No. 4 annually sets assessments to the other districts and collects all operating revenues except for property taxes and certain restricted revenues of the related districts.

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 all operations and administrative functions are contracted.

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

**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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

**MEADOWS METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

Separate financial statements are provided for governmental funds. Major individual governmental 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Redemption of bonds are recorded as a reduction in liabilities.

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 and intergovernmental revenues. 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 Capital Projects Fund - Conservation Trust Fund is used to account for financial resources to be used for the maintenance or acquisition and construction of recreational facilities.

**MEADOWS METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 and other financing uses 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.

**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 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale 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 deferred property taxes are recorded as revenue in the year they are available or collected.

**Deferred Inflows of Resources**

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.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

**MEADOWS METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Net Position (Continued)**

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction or improvement of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component.

*Restricted* – This component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

*Unrestricted* – The component of net position that does not meet the definitions above.

**Fund Balance**

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

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

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

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

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

**MEADOWS METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*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**

**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.

At December 31, 2022, the District had no cash deposits.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those 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

**MEADOWS METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2022, the District had no investments.

**NOTE 4 LONG-TERM OBLIGATIONS**

Under the terms of the Regional Facilities Cost Sharing Agreement (see Note 6), the District is liable for a portion of the total general obligation debt incurred by the other related districts constituting the Project. At December 31, 2022, the total outstanding debt (for District Nos. 1, 2 and 7) was \$70,000,000 plus accrued and compounding interest of \$342,416,014. The ultimate amount payable by the District is not determinable because the amounts to be paid in future years for both principal and interest are determined annually based on other revenues and relative changes in assessed valuations among the seven districts.

**General Obligation Bonds, Series 1989A, 1989B, and 1989C**

The General Obligation Bonds, Series 1989A, 1989B and 1989C, are characterized as general obligation bonds with a "capped mill levy". Effective June 1, 2002, District Nos. 1 through 7 (inclusive) entered into the First Amendment to the Amended and Restated Indenture of Trust which states that the remaining payments to the bond holders on the Series 1989 General Obligation Bonds will be made on a quarterly basis, instead of semi-annually. Therefore, interest of 7.999% is payable quarterly on March 1, June 1, September 1 and December 1 of each year.

Any interest that is due and not paid at the end of each quarter is charged interest at a rate of 7.999% per annum. Unpaid current interest becomes accrued interest on December 1 of each year. Accrued interest compounds annually on December 1 of each year. The Project's (District Nos. 1 through 7 inclusive) required payment on the bonds is limited to the proceeds generated from the limited mill levy of 35 mills and certain other revenues less priority expenses (see Note 6).

The bonds mature as of June 1, 2029. Interest will not accrue after the 40-year term. However, the Project will continue to set the limited mill levy until the bonds and accrued interest are paid in full. The Project is not entitled to prepay the bonds during the 40-year term.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds, Series 1989A, 1989B, and 1989C (Continued)**

However, the Project may maintain a sinking fund for future principal payments, provided that all accrued and current interest has been paid. Priority of principal repayment can be assigned among and between the bondholders. Revenues received by the Project will be disbursed for the following (in order of priority):

1. Priority expenses (see Note 6)
2. Current interest
3. Accrued interest from and after March 5, 1993
4. Accrued interest from September 1, 1989, through March 4, 1993, amounting to \$15,659,228
5. Principal
6. Capital improvements

During 2022, District No. 4 computed net revenues available for District Nos. 1, 2, and 7's debt service to be \$11,611,892 under the terms of the Regional Facilities Cost Sharing Agreement (see Note 6).

Interest on the bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on revenues and cannot be predicted with certainty.

**Debt Authorization**

As of December 31, 2022, the District has no authorized but unissued debt.

**NOTE 5 NET POSITION**

The District has net position consisting of one component - restricted.

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

	Governmental Activities
Restricted Net Position:	
Capital Projects	\$ 52,005
Total Restricted Net Position	\$ 52,005

**MEADOWS METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6 REGIONAL FACILITIES COST SHARING AGREEMENT**

In September 1988, the District and the other six related districts entered into a Regional Facilities Cost Sharing Agreement. In 1993, the restated Fifth Amendment to this agreement was executed, and in 1994, the Sixth Amendment to this agreement became operational. The intent of these agreements is to have an equal mill levy throughout the Project and to participate fairly and equitably in the joint funding of operations and maintenance of the Project, the associated debt service costs of the Project, and the financing of Project facilities as defined in the intergovernmental agreement with the Town (see Note 7).

District No. 4 has been specified to coordinate and manage the operations and debt service payments of the districts. District No. 4 receives the facilities development fees and other revenues of the Project (District Nos. 1 through 7) and collects property taxes and interest on behalf of District Nos. 2 through 7. District No. 1 collects its own property taxes, interest, and Conservation Trust Fund entitlements.

Priority expenses of the Project include the following: costs of revenue collection, operations, and maintenance expenses in an amount not to exceed \$200,000 per year, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$115,000 in 2022 as adjusted for inflation) is designated to be spent by District No. 1 for District No. 1's administration. The remainder (\$313,000 in 2022 as adjusted for inflation) is to be spent by District No. 4 as Master District for the Project.

Normal debt service-related costs such as paying agent fees and trustee fees and bond issuance costs have not been included in priority expenses. Written notice to this effect was provided to the bondholders.

Priority expenses are allocated to the districts as administration charges based upon each individual district's percentage of assessed valuation to the total assessed valuation of the Project.

The Project revenues collected by District No. 4, to the extent not required to fund priority expenses and capital improvements of the Project approved by the bondholders, are to be allocated to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued and outstanding of District Nos. 1, 2, and 7.

Property taxes and other revenues of the other districts in the Project which are in excess of the individual district's allocated share of priority expenses are to be allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as described above.



**MEADOWS METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 INTERGOVERNMENTAL AGREEMENT - TOWN OF CASTLE ROCK**

The District, together with the related contiguous districts, entered into an Intergovernmental Agreement with the Town, dated December 1, 1991, and as amended on October 1, 1993, and December 12, 1996. The Agreement defines the responsibilities of the Town and the District with regard to the development of infrastructure, provision of services, maintenance responsibilities, and collection of facilities development fees. Additionally, the Town has oversight responsibilities and powers as to the District's future debt transactions and the District's ability to impose and collect future fees.

The District has transferred title to its facilities, water rights, and wastewater system capacity to the Town. The Districts do not have any commitment to develop additional facilities to serve the Project other than those described below.

The Town currently maintains and operates the District facilities, except for maintaining certain landscaping. The Town charges users directly for water, sewer, and irrigation water. The Town retains a 0.25% administrative fee to cover its cost of collection on all facilities development fees it collects on behalf of the Districts.

The District's landscape responsibilities relate to the maintenance of public street right-of-way, which is the landscaping between the right-of-way and the street curbing, as well as within street medians.

The Agreement further provides that when the water or wastewater capacities are fully utilized, the Districts and Town may agree that the Town will finance the development of additional water or wastewater capacity, and consequently, the Town will be entitled to recover its costs, including interest, from facilities development fees currently being collected by the Town. In 2007, the wastewater capacity maximum was reached, and the Town started to keep a portion of the sewer system development fee.

On June 16, 2015, the Agreement was amended (Third Amendment to the Master Intergovernmental Agreement). Among other items, the third amendment to the Agreement provides that, after July 1, 2015, a portion of the system development fee that is being retained by the Town (capital reserve fee) will be imposed as a District Fee and collected by the Town and remitted to the Districts. The capital reserve fee may be increased by the Districts at the rate of not more than 5% per annum, compounded on each January 1 through the term of the Agreement. Additionally, the third amendment to the Agreement amended the allocation of the system development fee as follows: (i) the Town will retain the treatment component of the water system development fee when the demand for municipal water within the Project exceeds 7,548 SFEs; and (ii) beginning on July 1, 2015, the Town will retain 90% of the wastewater system development fee, provided that if the treatment component is less than 90%, the Town's retained portion shall reduce to reflect such actual treatment component percentage; however, if the treatment component is higher than 90%, the Town shall never retain more than 90% of the wastewater system development fee. As of May 31, 2022, the Project had exceeded 7,548 SFEs used. As of December 31, 2022, the Project had a total count of 7,630 SFEs used.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 7 INTERGOVERNMENTAL AGREEMENT - TOWN OF CASTLE ROCK (CONTINUED)**

The Project had an obligation to provide financial support in the amount of \$500,000 for the East Plum Creek Trail. The Town had directly deposited, into an escrow held by a trustee for District No. 4, facilities development fees totaling \$500,000 in satisfaction of the East Plum Creek Trail obligation. Interest income generated from the escrow is allocated to District Nos. 1, 2, and 7 to be used for debt service. In 2009, the Project (through District No. 4, the Master District) remitted \$435,284 to the Town in connection with the East Plum Creek Trail and \$1,000 to the Trustee for fees related to managing the account. As of December 31, 2022, the remaining balance in the East Plum Creek Trail escrow account was \$53,600.

**NOTE 8 RELATED PARTIES**

The Developer of the property is Castle Rock Development Company (the Developer). All members of the Board of Directors are officers or employees associated directly or indirectly with these companies and may have conflicts of interest in dealing with the Districts.

**NOTE 9 RISK MANAGEMENT**

District Nos. 1 through 7 are exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or acts of God.

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

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

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.

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.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

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. Since the District's net revenue are transferred entirely to District No. 4 for, primarily, debt service of bonds issued for the benefit of the entire Project (see Note 6), an emergency reserve has not been provided. An emergency reserve has been established in District No. 4's Special Revenue Fund as of December 31, 2022.

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, will require judicial interpretation.

**SUPPLEMENTARY INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 3  
CAPITAL PROJECTS FUND – CONSERVATION TRUST FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Conservation Trust Entitlement	\$ 3,000	\$ 20,208	\$ 17,208
Interest Income	200	1,726	1,526
Total Revenues	<u>3,200</u>	<u>21,934</u>	<u>18,734</u>
<b>EXPENDITURES</b>			
Current:			
Recreation Facilities	<u>31,855</u>	<u>-</u>	<u>31,855</u>
Total Expenditures	<u>31,855</u>	<u>-</u>	<u>31,855</u>
<b>NET CHANGES IN FUND BALANCE</b>	(28,655)	21,934	50,589
Fund Balance - Beginning of Year	<u>28,655</u>	<u>30,071</u>	<u>1,416</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 52,005</u></u>	<u><u>\$ 52,005</u></u>

## **OTHER INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 3  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 25,614,050	0.000	35.000	\$ 896,492	\$ 896,491	100.00 %
2019	27,096,810	0.000	35.000	948,388	948,390	100.00
2020	30,661,040	0.000	35.000	1,073,136	1,073,086	100.00
2021	32,476,340	0.000	35.000	1,136,672	1,136,664	100.00
2022	36,363,700	0.000	35.000	1,272,730	1,273,194	100.04
Estimated for the Year Ending December 31, 2023	\$ 37,180,780	0.000	35.000	\$ 1,301,327		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**



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**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

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## **Independent Auditor's Report**

Board of Directors  
Meadows Metropolitan District No. 4  
Douglas County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Meadows Metropolitan District No. 4 (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Meadows Metropolitan District No. 4, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Responsibility of Management 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.

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that governmental 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information is listed in the table of contents and does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
June 27, 2023

## **BASIC FINANCIAL STATEMENTS**

**MEADOWS METROPOLITAN DISTRICT NO. 4  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments - Restricted	\$ 925,841
Receivable - Homeowners Association	17,633
Receivable - County Treasurer	1,246
Receivable - Town of Castle Rock	8,662
Due from Other Districts	67,582
Property Taxes Receivable	190,903
Prepaid Insurance	7,969
Total Assets	<u>1,219,836</u>
<b>LIABILITIES</b>	
Accounts Payable	38,867
Due to Other Districts	600,971
Total Liabilities	<u>639,838</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Taxes Revenue	190,903
Total Deferred Inflows of Resources	<u>190,903</u>
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserve	19,000
Capital Projects - CTF	3,509
Capital Projects	53,466
Operations	313,120
Total Net Position	<u>\$ 389,095</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Government Activities:					
General Government and Intergovernmental	\$ 12,244,007	\$ -	\$ 10,727,163	\$ 1,326,893	\$ (189,951)
Total Governmental Activities	<u>\$ 12,244,007</u>	<u>\$ -</u>	<u>\$ 10,727,163</u>	<u>\$ 1,326,893</u>	(189,951)
<b>GENERAL REVENUES</b>					
Property Taxes					196,451
Specific Ownership Taxes					17,372
Interest Income					7,277
Total General Revenues					<u>221,100</u>
<b>CHANGE IN NET POSITION</b>					
					31,149
					<u>357,946</u>
					<u>\$ 389,095</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 4**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 196,451	\$ -	\$ -	\$ 196,451
Specific Ownership Taxes	17,372	-	-	17,372
Intergovernmental Revenue - Other Districts	-	10,700,981	-	10,700,981
System Development Fees	-	1,261,774	-	1,261,774
Street Oversizing Fees	-	62,069	-	62,069
Cost Reimbursements - Homeowners Association	-	26,182	-	26,182
Interest Income	63	6,748	466	7,277
Conservation Trust Entitlement	-	-	3,050	3,050
Total Revenues	<u>213,886</u>	<u>12,057,754</u>	<u>3,516</u>	<u>12,275,156</u>
<b>EXPENDITURES</b>				
Accounting	-	70,928	-	70,928
Audit	-	22,400	-	22,400
Collection Expense - Town	-	3,275	-	3,275
Dues	-	2,536	-	2,536
Insurance	-	17,432	-	17,432
Landscape Maintenance	-	334,002	-	334,002
Landscape Maintenance - MCA	-	75,942	-	75,942
Legal	-	16,206	-	16,206
Miscellaneous	-	2,163	-	2,163
Paying Agent/Trustee Fees	-	15,000	750	15,750
Payments to Other Districts for Debt Service	-	11,611,891	-	11,611,891
Repairs and Maintenance	-	982	-	982
Treasurer's Fees	2,948	-	-	2,948
Utilities - Electricity	-	16,726	-	16,726
Utilities - Water	-	50,826	-	50,826
Total Expenditures	<u>2,948</u>	<u>12,240,309</u>	<u>750</u>	<u>12,244,007</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	210,938	(182,555)	2,766	31,149
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from (to) Other Funds	<u>(210,938)</u>	<u>211,271</u>	<u>(333)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(210,938)</u>	<u>211,271</u>	<u>(333)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	28,716	2,433	31,149
Fund Balances - Beginning of Year	<u>-</u>	<u>303,404</u>	<u>54,542</u>	<u>357,946</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 332,120</u>	<u>\$ 56,975</u>	<u>\$ 389,095</u>

Amounts reported for governmental activities in the statement of activities are the same as above.

See accompanying Notes to Basic Financial Statements.



**MEADOWS METROPOLITAN DISTRICT NO. 4  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 196,450	\$ 196,451	\$ 1
Specific Ownership Taxes	17,681	17,372	(309)
Interest Income	100	63	(37)
Other Income	2,769	-	(2,769)
Total Revenues	<u>217,000</u>	<u>213,886</u>	<u>(3,114)</u>
<b>EXPENDITURES</b>			
Treasurer's Fees	2,947	2,948	(1)
Contingency	2,769	-	2,769
Total Expenditures	<u>5,716</u>	<u>2,948</u>	<u>2,768</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	211,284	210,938	(346)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to Special Revenue Fund	(211,284)	(210,938)	346
Total Other Financing Sources (Uses)	<u>(211,284)</u>	<u>(210,938)</u>	<u>346</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
Fund Balances - Beginning of Year	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 196,450	\$ 196,451	\$ 1
Specific Ownership Taxes	17,681	17,372	(309)
Interest Income	100	63	(37)
Other Income	2,769	-	(2,769)
Total Revenues	<u>217,000</u>	<u>213,886</u>	<u>(3,114)</u>
<b>EXPENDITURES</b>			
Treasurer's Fees	2,947	2,948	(1)
Contingency	2,769	-	2,769
Total Expenditures	<u>5,716</u>	<u>2,948</u>	<u>2,768</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	211,284	210,938	(346)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to Special Revenue Fund	(211,284)	(210,938)	346
Total Other Financing Sources (Uses)	<u>(211,284)</u>	<u>(210,938)</u>	<u>346</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenue - Other Districts	\$ 10,702,335	\$ 10,700,981	\$ (1,354)
System Development Fees	1,361,985	1,261,774	(100,211)
Street Oversizing Fees	42,000	62,069	20,069
Cost Reimbursements - Homeowners Association	27,720	26,182	(1,538)
Interest Income	300	6,748	6,448
Total Revenues	<u>12,134,340</u>	<u>12,057,754</u>	<u>(76,586)</u>
<b>EXPENDITURES</b>			
Accounting	115,000	70,928	44,072
Audit	37,500	22,400	15,100
Banking Fees	70	-	70
Collection Expense - Town	3,031	3,275	(244)
Contingency	90,630	-	90,630
Dues	2,200	2,536	(336)
Insurance	20,600	17,432	3,168
Landscape Maintenance	331,000	334,002	(3,002)
Landscape Maintenance - MCA	65,000	75,942	(10,942)
Legal	33,000	16,206	16,794
Miscellaneous	3,000	2,163	837
Paying Agent Fees	15,000	15,000	-
Payments to Other Districts for Debt Service	11,554,653	11,611,891	(57,238)
Repairs and Maintenance	1,000	982	18
Utilities - Electricity	10,000	16,726	(6,726)
Utilities - Water	50,000	50,826	(826)
Total Expenditures	<u>12,331,684</u>	<u>12,240,309</u>	<u>91,375</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(197,344)	(182,555)	14,789
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from (to) Other Funds	211,344	211,271	(73)
Total Other Financing Sources (Uses)	<u>211,344</u>	<u>211,271</u>	<u>(73)</u>
<b>NET CHANGE IN FUND BALANCES</b>	14,000	28,716	14,716
Fund Balances - Beginning of Year	<u>389,000</u>	<u>303,404</u>	<u>(85,596)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 403,000</u>	<u>\$ 332,120</u>	<u>\$ (70,880)</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

**Organization**

Meadows Metropolitan District No. 4 (the District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (the Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems, and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by District Nos. 1, 2, and 7, the Town may require that the Districts initiate dissolution procedures.

The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows Project (the Project).

The District is the Master District, which is responsible for the construction of the entire Project improvements and the allocation to each of the related Districts of its proportional share of the costs incurred. The District has entered into a Regional Facilities Cost Sharing Agreement (see Note 6), whereby the District annually sets assessments to the other Districts and collects all operating revenues except for property taxes and certain restricted revenues of the related Districts.

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 all operations and administrative functions are contracted.

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

**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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

Separate financial statements are provided for governmental funds. Major individual governmental 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Redemption of bonds is recorded as a reduction in liabilities.

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, intergovernmental revenues, and facilities development fees. 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 Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with the other Districts as required under the Regional Facilities Cost Sharing Agreement.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction and maintenance of recreational facilities.

**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 and other financing uses 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.

**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.

**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 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale 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 inflow of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

**Deferred Inflow of Resources**

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.

**MEADOWS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity**

**Net Position**

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

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

*Net Investment in Capital Assets* – this component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component.

*Restricted* – this component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors, or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

*Unrestricted* – the component of net position that does not meet the definitions above.

**Fund Balance**

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

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

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

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

**MEADOWS METROPOLITAN DISTRICT NO. 4  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*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.

**Reconciliation of Government-wide and Fund Financial Statements**

The governmental funds balance sheet does not include reconciliation between the fund balance - total governmental funds and the net position - governmental activities as reported in the government-wide statement of net position, nor between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The District had no current year transactions requiring such reconciliations.

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Position:

Cash and Investments - Restricted	\$ 925,841
Total Cash and Investments	\$ 925,841

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

Deposits with Financial Institutions	\$ 36,588
Investments	889,253
Total	\$ 925,841



**MEADOWS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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.

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$36,588.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

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

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

**MEADOWS METROPOLITAN DISTRICT NO. 4  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 557,048
Colorado Local Government Liquid Asset Trust (COLOTRUST PRIME)	Weighted-Average Under 60 Days	278,605
Morgan Stanley Institutional Liquidity Fund - Treasury Securities Portfolio	Weighted-Average Under 90 Days	53,600
Total		<u>\$ 889,253</u>

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

**COLOTRUST**

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

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

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

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

**Morgan Stanley Treasury Securities Fund**

The Intergovernmental Agreement with the Town, as it relates to the Project's obligation to provide financial support for the East Plum Creek Trail, requires the Town to place in escrow a specific dollar value of the system development fees it collects on behalf of the District (see Note 7). As of December 31, 2022, the escrow agent had invested \$56,541 in the name of the District. The East Plum Creek Trail funds deposited in the United Missouri Bank account are invested in the Morgan Stanley Institutional Liquidity Funds' Treasury Securities Portfolio. This portfolio is a money market fund that is managed by Morgan Stanley Investment Management and each share is equal in value in \$1.00. The fund is AAAM rated and invests exclusively in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury securities. The average maturity of the underlying securities is 90 days or less.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (CONTINUED)**

**Morgan Stanley Treasury Securities Fund (Continued)**

The fund records its investments based in amortized costs. The District records its investment in the fund using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**NOTE 4 LONG-TERM OBLIGATIONS**

Under the terms of the Regional Facilities Cost Sharing Agreement (see Note 6), the District is liable for a portion of the total general obligation debt incurred by the other related Districts constituting the Project. At December 31, 2022, the total outstanding debt (for District Nos. 1, 2, and 7) was \$70,000,000 plus accrued and compounding interest of \$342,416,014. The ultimate amount payable by the District is not determinable because the amounts to be paid in future years for both principal and interest are determined annually based on revenues and relative changes in assessed valuations among the seven Districts.

**General Obligation Bonds, Series 1989A, 1989B, and 1989C**

The General Obligation Bonds, Series 1989A, 1989B, and 1989C, are characterized as general obligation bonds with a "capped mill levy". Effective June 1, 2002, District Nos. 1 through 7 (inclusive) entered into the First Amendment to the Amended and Restated Indenture of Trust which states that the remaining payments to the bond holders on the Series 1989 General Obligation Bonds will be made on a quarterly basis, instead of semi-annually. Therefore, interest of 7.999% is payable quarterly on March, June 1, September 1, and December 1 of each year. Any interest that is due and not paid at the end of each quarter is charged interest at a rate of 7.999% per annum. Unpaid current interest becomes accrued interest on December 1 of each year. Accrued interest compounds annually on December 1 of each year. The Project's (District Nos. 1 through 7, inclusive) required payment on the bonds is limited to the proceeds generated from the limited mill levy of 35 mills and certain other revenues less priority expenses (see Note 6).

The bonds mature as of June 1, 2029. Interest will not accrue after the 40-year term. However, the Project will continue to set the limited mill levy until the bonds and accrued interest are paid in full. The Project is not entitled to prepay the bonds during the 40-year term. However, the Project may maintain a sinking fund for future principal payments, provided that all accrued and current interest has been paid. Priority of principal repayment can be assigned among and between the bondholders. Revenues received by the Project will be disbursed for the following (in order of priority):

1. Priority expenses (see Note 6)
2. Current interest
3. Accrued interest from and after March 5, 1993
4. Accrued interest from September 1, 1989 through March 4, 1993, amounting to \$15,659,228
5. Principal
6. Capital improvements

**MEADOWS METROPOLITAN DISTRICT NO. 4  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds, Series 1989A, 1989B, and 1989C (Continued)**

During 2022, the District computed net revenues available for District Nos. 1, 2, and 7's debt service to be \$11,611,891 under the terms of the Regional Facilities Cost Sharing Agreement (see Note 6).

Interest on the bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on revenues and cannot be predicted with certainty.

The District relies on the development of the entire Project to provide revenues and cash flows sufficient to pay the debt service obligations of District Nos. 1, 2, and 7 in future years. System development fees and property taxes will depend on future development and cannot be predicted with certainty.

**Debt Authorization**

As of December 31, 2022, the District has no authorized but unissued debt.

**NOTE 5 NET POSITION**

The District has net position consisting of two components - restricted and unrestricted.

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

Restricted Net Position:

Emergency Reserve (see Note 10)	\$ 19,000
Capital Project - CTF	3,509
Capital Projects (see Note 7)	53,466
Operations (see Note 6)	313,120
Total Restricted Net Position	<u>\$ 389,095</u>

**NOTE 6 REGIONAL FACILITIES COST SHARING AGREEMENT**

In September 1988, the District and the other six related Districts entered into a Regional Facilities Cost Sharing Agreement. In 1993, the restated Fifth Amendment to this agreement was executed, and in 1994, the sixth amendment to this agreement became operational. The intent of these agreements is to have an equal mill levy throughout the Project and to participate fairly and equitably in the joint funding of operations and maintenance of the Project, the associated debt service costs of the Project, and the financing of Project facilities as defined in the intergovernmental agreement with the Town (see Note 7).

**MEADOWS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6 REGIONAL FACILITIES COST SHARING AGREEMENT (CONTINUED)**

District No. 4 has been specified to coordinate and manage the operations and debt service payments of the Districts. District No. 4 receives the system development fees and other revenues of the Project (District Nos. 1 through 7) and collects property taxes and interest on behalf of District Nos. 2 through 7. District No. 1 collects its own property taxes, interest, and Conservation Trust Fund entitlements.

Priority expenses of the Project include the following: costs of revenue collection, operations, and maintenance expenses in an amount not to exceed \$200,000 per year, water service fees, and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$115,000 in 2022 as adjusted for inflation) is designated to be spent by District No. 1 for District No. 1's administration. The remainder (\$313,000 in 2022 as adjusted for inflation) is to be spent by the District as Master District for the Project.

Normal debt service-related costs such as paying agent fees and trustee fees and bond issuance costs have not been included in priority expenses. Written notice to this effect was provided to the bondholders.

Priority expenses are allocated to the Districts as administration charges based upon each individual District's percentage of assessed valuation to the total assessed valuation of the Project.

The Project revenues collected by the District, to the extent not required to fund priority expenses and capital improvements of the Project approved by the bondholders, are to be allocated to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued and outstanding of District Nos. 1, 2, and 7.

Property taxes and other revenues of the other Districts in the Project, which are in excess of the individual District's allocated share of priority expenses, are to be allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as described above.

**NOTE 7 INTERGOVERNMENTAL AGREEMENT – TOWN OF CASTLE ROCK**

The District, together with the related contiguous Districts, entered into an Intergovernmental Agreement with the Town, dated December 1, 1991, and as amended on October 1, 1993, and December 12, 1996. The Agreement defines the responsibilities of the Town and the District with regard to the development of infrastructure, provision of services, maintenance responsibilities, and collection of system development fees. Additionally, the Town has oversight responsibilities and powers as to the District's future debt transactions and the District's ability to impose and collect future fees.

The District has transferred title to its facilities, water rights, and wastewater system capacity to the Town. The Districts do not have any commitment to develop additional facilities to serve the Project other than those described below.

**MEADOWS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 INTERGOVERNMENTAL AGREEMENT – TOWN OF CASTLE ROCK (CONTINUED)**

The Town currently maintains and operates the District facilities, except for maintaining certain landscaping. The Town charges users directly for water, sewer, and irrigation water. The Town retains a 0.25% administrative fee to cover its cost of collection on all system development fees it collects on behalf of the Districts.

The District's landscape responsibilities relate to the maintenance of public street right-of-way, which is the landscaping between the right-of-way and the street curbing, as well as within street medians.

The Agreement further provides that when the water or wastewater capacities are fully utilized, the Districts and Town may agree that the Town will finance the development of additional water or wastewater capacity, and consequently, the Town will be entitled to recover its costs, including interest, from system development fees currently being collected by the Town. In 2007, the wastewater capacity maximum was reached, and the Town started to keep a portion of the wastewater system development fee.

On June 16, 2015, the Agreement was amended (Third Amendment to Master Intergovernmental Agreement). Among other items, the third amendment to the Agreement provides that, after July 1, 2015, a portion of the system development fee that is being retained by the Town (capital reserve fee) will be imposed as a District Fee and collected by the Town and remitted to the Districts. The capital reserve fee may be increased by the Districts at the rate of not more than 5% per annum, compounded on each January 1 through the term of the Agreement. Additionally, the third amendment to the Agreement amended the allocation of the system development fee as follows: (i) the Town will retain the treatment component of the water system development fee when the demand for municipal water within the Project exceeds 7,548 SFEs, and (ii) beginning on July 1, 2015, the Town will retain 90% of the wastewater system development fee; provided that if the treatment component is less than 90%, the Town's retained portion shall reduce to reflect such actual treatment component percentage; however, if the treatment component is higher than 90%, the Town shall never retain more than 90% of the wastewater system development fee. On May 31, 2022, the Project had exceeded 7,548 SFEs used. As of December 31, 2022, the Project had a total count of 7,630 SFEs used.

The Project had an obligation to provide financial support in the amount of \$500,000 for the East Plum Creek Trail. The Town had directly deposited, into an escrow held by a trustee for the District, system development fees totaling \$500,000 in satisfaction of the East Plum Creek Trail obligation. Interest income generated from the escrow is allocated to District Nos. 1, 2, and 7 to be used for debt service. In 2009, the Project (through the Master District) remitted \$435,284 to the Town in connection with the East Plum Creek Trail and \$1,000 to the trustee for fees related to managing the account. As of December 31, 2022, the remaining balance in the East Plum Creek Trail escrow account was \$53,600.

**MEADOWS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 8 RELATED PARTIES**

The Developer of the property is Castle Rock Development Company (Developer). All members of the Board of Directors are officers or employees associated directly or indirectly with these companies and may have conflicts of interest in dealing with the Districts.

**NOTE 9 RISK MANAGEMENT**

District Nos. 1 through 7 are exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or acts of God.

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

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

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.

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.

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, will require judicial interpretation.



## **SUPPLEMENTARY INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 4  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ 60	\$ 466	\$ 406
Conservation Trust Entitlement	40	3,050	3,010
Total Revenues	<u>100</u>	<u>3,516</u>	<u>3,416</u>
<b>EXPENDITURES</b>			
Trustee Fees	750	750	-
Construction - Parks and Recreation	53,815	-	53,815
Total Expenditures	<u>54,565</u>	<u>750</u>	<u>53,815</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(54,465)	2,766	57,231
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to Special Revenue Fund	(60)	(333)	(273)
Total Other Financing Sources (Uses)	<u>(60)</u>	<u>(333)</u>	<u>(273)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(54,525)	2,433	56,958
Fund Balance - Beginning of Year	<u>54,525</u>	<u>54,542</u>	<u>17</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 56,975</u></u>	<u><u>\$ 56,975</u></u>

## **OTHER INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 4  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 4,802,430	0.000	35.000	\$ 168,085	\$ 168,085	100.00 %
2019	5,277,140	0.000	35.000	184,700	184,700	100.00
2020	5,591,250	0.000	35.000	195,703	195,703	100.00
2021	5,605,800	0.000	35.000	196,203	196,148	99.97
2022	5,612,870	0.000	35.000	196,450	196,451	100.00
Estimated for the Year Ending <u>December 31,</u> 2023	\$ 5,454,380	0.000	35.000	\$ 190,903		

**NOTE:**

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

**MEADOWS METROPOLITAN DISTRICT NO. 5  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**MEADOWS METROPOLITAN DISTRICT NO. 5  
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## Independent Auditor's Report

Board of Directors  
Meadows Metropolitan District No. 5  
Douglas County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of Meadows Metropolitan District No. 5 (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Meadows Metropolitan District No. 5, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Responsibility of Management 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.

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that governmental 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***

Management is responsible for the other information included in the annual report. The other information is listed in the table of contents and does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially



misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
June 27, 2023

## **BASIC FINANCIAL STATEMENTS**

**MEADOWS METROPOLITAN DISTRICT NO. 5  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Receivable - County Treasurer	\$ 7,437
Property Taxes Receivable	1,290,613
Total Assets	1,298,050
<b>LIABILITIES</b>	
Due to District No. 4	7,437
Total Liabilities	7,437
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Taxes Revenue	1,290,613
Total Deferred Inflows of Resources	1,290,613
<b>NET POSITION</b>	
Total Net Position	\$ -

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 5  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenue (Expenses) and Change in Net Position
<b>FUNCTIONS/PROGRAMS</b>	Expenses	Charges for Services	Operating Grants and Contributions	Expenses	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 1,280,445	\$ -	\$ -	\$ -	\$ (1,280,445)
	\$ 1,280,445	\$ -	\$ -	\$ -	(1,280,445)
 <b>GENERAL REVENUES</b>					
Property Taxes					1,174,750
Specific Ownership Taxes					103,663
Interest Income					2,032
Total General Revenues					1,280,445
 <b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					-
<b>NET POSITION - END OF YEAR</b>					\$ -

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 5  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Total Governmental Funds
<b>ASSETS</b>		
Receivable - County Treasurer	\$ 7,437	\$ 7,437
Property Taxes Receivable	1,290,613	1,290,613
Total Assets	\$ 1,298,050	\$ 1,298,050
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Due to District No. 4	\$ 7,437	\$ 7,437
Total Liabilities	7,437	7,437
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Taxes Revenue	1,290,613	1,290,613
Total Deferred Inflows of Resources	1,290,613	1,290,613
<b>FUND BALANCES</b>		
Total Fund Balances	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,298,050	\$ 1,298,050

Amounts reported for governmental activities in the Statement of Net Position are the same as above.

**MEADOWS METROPOLITAN DISTRICT NO. 5  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Total Governmental Funds
<b>REVENUES</b>		
Property Taxes	\$ 1,174,750	\$ 1,174,750
Specific Ownership Taxes	103,663	103,663
Interest Income	2,032	2,032
Total Revenues	1,280,445	1,280,445
<b>EXPENDITURES</b>		
Current:		
Intergovernmental Expenditure - District No. 4	1,262,875	1,262,875
County Treasurer's Fees	17,570	17,570
Total Expenditures	1,280,445	1,280,445
<b>NET CHANGE IN FUND BALANCES</b>	-	-
Fund Balances - Beginning of Year	-	-
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -

Amounts reported for governmental activities in the Statement of Net Position are the same as above.

**MEADOWS METROPOLITAN DISTRICT NO. 5  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,171,760	\$ 1,174,750	\$ 2,990
Specific Ownership Taxes	105,458	103,663	(1,795)
Interest Income	-	2,032	2,032
Other Revenue	12,782	-	(12,782)
Total Revenues	1,290,000	1,280,445	(9,555)
<b>EXPENDITURES</b>			
Current:			
Intergovernmental Expenditure - District No. 4	1,259,642	1,262,875	(3,233)
County Treasurer's Fees	17,576	17,570	6
Contingency	12,782	-	12,782
Total Expenditures	1,290,000	1,280,445	9,555
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
Fund Balances - Beginning of Year	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 ORGANIZATION AND REPORTING ENTITY**

**Organization**

Meadows Metropolitan District No. 5 (District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by District Nos. 1, 2, and 7, the Town may require that the Districts initiate dissolution procedures.

The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows Project (Project).

Meadows Metropolitan District No. 4 (District No. 4) is the Master District, which is responsible for the construction of the entire Project improvements and the allocation to each of the related districts of its proportional share of the costs incurred. The District has entered into a Regional Facilities Cost Sharing Agreement (see Note 6), whereby District No. 4 annually sets assessments to the other districts and collects all operating revenues except for property taxes and certain restricted revenues of the related districts.

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 all operations and administrative functions are contracted.

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

**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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.



**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

Separate financial statements are provided for governmental funds. Major individual governmental 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Redemption of bonds are recorded as a reduction in liabilities.

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 and intergovernmental revenues. 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.

**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 and other financing uses 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.

**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 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale 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 deferred property taxes are recorded as revenue in the year they are available or collected.

**Deferred Inflows of Resources**

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.

**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Net Position (Continued)**

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component.

*Restricted* – This component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

*Unrestricted* – The component of net position that does not meet the definitions above.

**Fund Balance**

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

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

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

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

**MEADOWS METROPOLITAN DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*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**

**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.

At December 31, 2022, the District had no cash deposits.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those 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.

**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

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

As of December 31, 2022, the District had no investments.

**NOTE 4 LONG-TERM OBLIGATIONS**

Under the terms of the Regional Facilities Cost Sharing Agreement (see Note 6), the District is liable for a portion of the total general obligation debt incurred by the other related districts constituting the Project. At December 31, 2022, the total outstanding debt (for District Nos. 1, 2, and 7) was \$70,000,000 plus accrued and compounding interest of \$342,416,014. The ultimate amount payable by the District is not determinable because the amounts to be paid in future years for both principal and interest are determined annually based on other revenues and relative changes in assessed valuations among the seven districts.

**General Obligation Bonds, Series 1989A, 1989B and 1989C**

The General Obligation Bonds, Series 1989A, 1989B and 1989C, are characterized as general obligation bonds with a "capped mill levy". Effective June 1, 2002, District Nos. 1 through 7 (inclusive) entered into the First Amendment to the Amended and Restated Indenture of Trust which states that the remaining payments to the bond holders on the Series 1989 General Obligation Bonds will be made on a quarterly basis, instead of semi-annually. Therefore, interest of 7.999% is payable quarterly on March 1, June 1, September 1 and December 1 of each year.

Any interest that is due and not paid at the end of each quarter is charged interest at a rate of 7.999% per annum. Unpaid current interest becomes accrued interest on December 1 of each year. Accrued interest compounds annually on December 1 of each year. The Project's (District Nos. 1 through 7 inclusive) required payment on the bonds is limited to the proceeds generated from the limited mill levy of 35 mills and certain other revenues less priority expenses (see Note 6).

**MEADOWS METROPOLITAN DISTRICT NO. 5  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds, Series 1989A, 1989B and 1989C (Continued)**

The bonds mature as of June 1, 2029. Interest will not accrue after the 40-year term. However, the Project will continue to set the limited mill levy until the bonds and accrued interest are paid in full. The Project is not entitled to prepay the bonds during the 40-year term.

However, the Project may maintain a sinking fund for future principal payments, provided that all accrued and current interest has been paid. Priority of principal repayment can be assigned among and between the bondholders. Revenues received by the Project will be disbursed for the following (in order of priority):

1. Priority expenses (see Note 6)
2. Current interest
3. Accrued interest from and after March 5, 1993
4. Accrued interest from September 1, 1989, through March 4, 1993, amounting to \$15,659,228
5. Principal
6. Capital improvements

During 2022, District No. 4 computed net revenues available for District Nos. 1, 2, and 7's debt service to be \$11,611,892 under the terms of the Regional Facilities Cost Sharing Agreement (see Note 6).

Interest on the bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on revenues and cannot be predicted with certainty.

**Debt Authorization**

As of December 31, 2022, the District has no authorized but unissued debt.

**NOTE 5 NET POSITION**

The District has no net position, as all revenues earned less treasurer's fees are transferred to District No. 4 (see Note 6).

**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6 REGIONAL FACILITIES COST SHARING AGREEMENT**

In September 1988, the District and the other six related districts entered into a Regional Facilities Cost Sharing Agreement. In 1993, the restated Fifth Amendment to this agreement was executed, and in 1994, the Sixth Amendment to this agreement became operational. The intent of these agreements is to have an equal mill levy throughout the Project and to participate fairly and equitably in the joint funding of operations and maintenance of the Project, the associated debt service costs of the Project, and the financing of Project facilities as defined in the intergovernmental agreement with the Town (see Note 7).

District No. 4 has been specified to coordinate and manage the operations and debt service payments of the districts. District No. 4 receives the facilities development fees and other revenues of the Project (District Nos. 1 through 7) and collects property taxes and interest on behalf of District Nos. 2 through 7. District No. 1 collects its own property taxes, interest and Conservation Trust Fund entitlements.

Priority expenses of the Project include the following: costs of revenue collection, operations and maintenance expenses in an amount not to exceed \$200,000 per year, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$115,000 in 2022 as adjusted for inflation) is designated to be spent by District No. 1 for District No. 1's administration. The remainder (\$313,000 in 2022 as adjusted for inflation) is to be spent by District No. 4 as Master District for the Project.

Normal debt service related costs such as paying agent fees and trustee fees and bond issuance costs have not been included in priority expenses. Written notice to this effect was provided to the bondholders.

Priority expenses are allocated to the districts as administration charges based upon each individual district's percentage of assessed valuation to the total assessed valuation of the Project.

The Project revenues collected by District No. 4, to the extent not required to fund priority expenses and capital improvements of the Project approved by the bondholders, are to be allocated to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued and outstanding of District Nos. 1, 2, and 7.

Property taxes and other revenues of the other districts in the Project which are in excess of the individual district's allocated share of priority expenses are to be allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as described above.

**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 INTERGOVERNMENTAL AGREEMENT - TOWN OF CASTLE ROCK**

The District, together with the related contiguous districts, entered into an Intergovernmental Agreement with the Town, dated December 1, 1991, and as amended on October 1, 1993, and December 12, 1996. The Agreement defines the responsibilities of the Town and the District with regard to the development of infrastructure, provision of services, maintenance responsibilities, and collection of facilities development fees. Additionally, the Town has oversight responsibilities and powers as to the District's future debt transactions and the District's ability to impose and collect future fees.

The District has transferred title to its facilities, water rights, and wastewater system capacity to the Town. The Districts do not have any commitment to develop additional facilities to serve the Project other than those described below.

The Town currently maintains and operates the District facilities, except for maintaining certain landscaping. The Town charges users directly for water, sewer and irrigation water. The Town retains a 0.25% administrative fee to cover its cost of collection on all facilities development fees it collects on behalf of the Districts.

The District's landscape responsibilities relate to the maintenance of public street right-of-way, which is the landscaping between the right-of-way and the street curbing, as well as within street medians.

The Agreement further provides that when the water or wastewater capacities are fully utilized, the Districts and Town may agree that the Town will finance the development of additional water or wastewater capacity, and consequently, the Town will be entitled to recover its costs, including interest, from facilities development fees currently being collected by the Town. In 2007, the wastewater capacity maximum was reached, and the Town started to keep a portion of the sewer system development fee.

On June 16, 2015, the Agreement was amended (Third Amendment to the Master Intergovernmental Agreement). Among other items, the third amendment to the Agreement provides that, after July 1, 2015, a portion of the system development fee that is being retained by the Town (capital reserve fee) will be imposed as a District Fee and collected by the Town and remitted to the Districts. The capital reserve fee may be increased by the Districts at the rate of not more than 5% per annum, compounded on each January 1 through the term of the Agreement. Additionally, the third amendment to the Agreement amended the allocation of the system development fee as follows: (i) the Town will retain the treatment component of the water system development fee when the demand for municipal water within the Project exceeds 7,548 SFEs; and (ii) beginning on July 1, 2015, the Town will retain 90% of the wastewater system development fee, provided that if the treatment component is less than 90%, the Town's retained portion shall reduce to reflect such actual treatment component percentage; however, if the treatment component is higher than 90%, the Town shall never retain more than 90% of the wastewater system development fee. On May 31, 2022, the Project had exceeded 7,548 SFEs used. As of December 31, 2022, the Project had a total count of 7,630 SFEs used.



**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 INTERGOVERNMENTAL AGREEMENT - TOWN OF CASTLE ROCK (CONTINUED)**

The Project had an obligation to provide financial support in the amount of \$500,000 for the East Plum Creek Trail. The Town had directly deposited, into an escrow held by a trustee for District No. 4, facilities development fees totaling \$500,000 in satisfaction of the East Plum Creek Trail obligation. Interest income generated from the escrow is allocated to District Nos. 1, 2, and 7 to be used for debt service. In 2009, the Project (through District No. 4, the Master District) remitted \$435,284 to the Town in connection with the East Plum Creek Trail and \$1,000 to the Trustee for fees related to managing the account. As of December 31, 2022, the remaining balance in the East Plum Creek Trail escrow account was \$53,600.

**NOTE 8 RELATED PARTIES**

The Developer of the property is Castle Rock Development Company (Developer). All members of the Board of Directors are officers or employees associated directly or indirectly with these companies and may have conflicts of interest in dealing with the Districts.

**NOTE 9 RISK MANAGEMENT**

District Nos. 1 through 7 are exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or acts of God.

The Districts are members 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 Districts pay annual premiums to the Pool for liability and public officials' liability 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.

**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

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.

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.

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. Since the District's net revenue are transferred entirely to District No. 4 for, primarily, debt service of bonds issued for the benefit of the entire Project (see Note 6), an emergency reserve has not been provided. An emergency reserve has been established in District No. 4's Special Revenue Fund as of December 31, 2022.

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, will require judicial interpretation.

## **OTHER INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 23,983,100	0.000	35.000	\$ 839,409	\$ 838,731	99.92 %
2019	24,601,240	0.000	35.000	861,043	840,771	97.65
2020	31,216,720	0.000	35.000	1,092,585	1,093,160	100.05
2021	31,594,730	0.000	35.000	1,105,816	1,073,806	97.11
2022	33,478,850	0.000	35.000	1,171,760	1,174,750	100.26
Estimated for the Year Ending December 31, 2023	\$ 36,874,670	0.000	35.000	\$ 1,290,613		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**MEADOWS METROPOLITAN DISTRICT NO. 6  
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**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

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## **Independent Auditor's Report**

Board of Directors  
Meadows Metropolitan District No. 6  
Douglas County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Meadows Metropolitan District No. 6 (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Meadows Metropolitan District No. 6, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Responsibility of Management 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.

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that governmental 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information is listed in the table of contents and does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
June 27, 2023

## **BASIC FINANCIAL STATEMENTS**

**MEADOWS METROPOLITAN DISTRICT NO. 6  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Receivable - County Treasurer	\$ 15,406
Due from District No. 4	101,496
Property Taxes Receivable	2,425,789
Total Assets	2,542,691
 <b>LIABILITIES</b>	
Due to District No. 4	15,406
Total Liabilities	15,406
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Taxes Revenue	2,425,789
Total Deferred Inflows of Resources	2,425,789
 <b>NET POSITION</b>	
Restricted for:	
Capital Projects	101,496
Total Net Position	\$ 101,496

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

<b>FUNCTIONS/PROGRAMS</b>	Expenses	Program Revenues			Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary Government:					
Government Activities:					
General Government	\$ 2,633,573	\$ -	\$ -	\$ -	\$ (2,633,573)
Culture and Recreation	-	-	31,040	-	31,040
	-	-	31,040	-	31,040
Total Government Activities	\$ 2,633,573	\$ -	\$ 31,040	\$ -	(2,602,533)
<b>GENERAL REVENUES</b>					
Property Taxes					2,418,228
Specific Ownership Taxes					214,750
Interest Income					3,245
Total General Revenues					2,636,223
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					67,806
<b>NET POSITION - END OF YEAR</b>					
					\$ 101,496

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Capital Projects - Conservation Trust	Total Governmental Funds
<b>ASSETS</b>			
Receivable - County Treasurer	\$ 15,406	\$ -	\$ 15,406
Due from District No. 4	-	101,496	101,496
Property Taxes Receivable	2,425,789	-	2,425,789
Total Assets	\$ 2,441,195	\$ 101,496	\$ 2,542,691
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to District No. 4	\$ 15,406	\$ -	\$ 15,406
Total Liabilities	15,406	-	15,406
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Taxes Revenue	2,425,789	-	2,425,789
Total Deferred Inflows of Resources	2,425,789	-	2,425,789
<b>FUND BALANCES</b>			
Restricted for:			
Capital Projects	-	101,496	101,496
Total Fund Balances	-	101,496	101,496
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,441,195	\$ 101,496	\$ 2,542,691

Amounts reported for governmental activities in the Statement of Net Position are the same as above.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Capital Projects - Conservation Trust	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 2,418,228	\$ -	\$ 2,418,228
Specific Ownership Taxes	214,750	-	214,750
Conservation Trust Entitlement	-	31,040	31,040
Interest Income	595	2,650	3,245
Total Revenues	2,633,573	33,690	2,667,263
<b>EXPENDITURES</b>			
Current:			
Intergovernmental Expenditure - District No. 4	2,597,286	-	2,597,286
County Treasurer's Fees	36,287	-	36,287
Total Expenditures	2,633,573	-	2,633,573
<b>NET CHANGE IN FUND BALANCES</b>	-	33,690	33,690
Fund Balances - Beginning of Year	-	67,806	67,806
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 101,496	\$ 101,496

Amounts reported for governmental activities in the Statement of Net Position are the same as above.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 2,428,421	\$ 2,418,228	\$ (10,193)
Specific Ownership Taxes	218,558	214,750	(3,808)
Interest Income	500	595	95
Other Revenue	12,521	-	(12,521)
Total Revenues	<u>2,660,000</u>	<u>2,633,573</u>	<u>(26,427)</u>
<b>EXPENDITURES</b>			
Current			
Intergovernmental Expenditure - District No. 4	2,611,053	2,597,286	13,767
County Treasurer's Fees	36,426	36,287	139
Contingency	12,521	-	12,521
Total Expenditures	<u>2,660,000</u>	<u>2,633,573</u>	<u>26,427</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

**Organization**

Meadows Metropolitan District No. 6 (the District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (the Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by District Nos. 1, 2, and 7, the Town may require that the Districts initiate dissolution procedures.

The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows Project (the Project).

Meadows Metropolitan District No. 4 (District No. 4) is the Master District, which is responsible for the construction of the entire Project improvements and the allocation to each of the related districts of its proportional share of the costs incurred. The District has entered into a Regional Facilities Cost Sharing Agreement (see Note 6), whereby District No. 4 annually sets assessments to the other districts and collects all operating revenues except for property taxes and certain restricted revenues of the related districts.

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 all operations and administrative functions are contracted.

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



**MEADOWS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

Separate financial statements are provided for governmental funds. Major individual governmental 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Redemption of bonds are recorded as a reduction in liabilities.

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 and intergovernmental revenues. 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.

**MEADOWS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The District reports the following major 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 Capital Projects Fund – Conservation Trust Fund is used to account for financial resources to be used for the maintenance or acquisition and construction of recreational facilities.

**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 and other financing uses 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.

**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 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale 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 deferred property taxes are recorded as revenue in the year they are available or collected.

**Deferred Inflow of Resources**

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.

**MEADOWS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity**

**Net Position**

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

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

*Net Investment in Capital Assets* – this component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component.

*Restricted* – this component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors, or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

*Unrestricted* – the component of net position that does not meet the definitions above.

**Fund Balance**

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

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

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

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

**MEADOWS METROPOLITAN DISTRICT NO. 6  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*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**

**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.

At December 31, 2022, the District had no cash deposits.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those 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.

**MEADOWS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

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

As of December 31, 2022, the District had no investments.

**NOTE 4 LONG-TERM OBLIGATIONS**

Under the terms of the Regional Facilities Cost Sharing Agreement (see Note 6), the District is liable for a portion of the total general obligation debt incurred by the other related districts constituting the Project. At December 31, 2022, the total outstanding debt (for District Nos. 1, 2, and 7) was \$70,000,000 plus accrued and compounding interest of \$342,416,014. The ultimate amount payable by the District is not determinable because the amounts to be paid in future years for both principal and interest are determined annually based on other revenues and relative changes in assessed valuations among the seven districts.

**General Obligation Bonds, Series 1989A, 1989B, and 1989C**

The General Obligation Bonds, Series 1989A, 1989B, and 1989C, are characterized as general obligation bonds with a "capped mill levy". Effective June 1, 2002, District Nos. 1 through 7 (inclusive) entered into the First Amendment to the Amended and Restated Indenture of Trust which states that the remaining payments to the bond holders on the Series 1989 General Obligation Bonds will be made on a quarterly basis, instead of semi-annually. Therefore, interest of 7.999% is payable quarterly on March 1, June 1, September 1 and December 1 of each year.

Any interest that is due and not paid at the end of each quarter is charged interest at a rate of 7.999% per annum. Unpaid current interest becomes accrued interest on December 1 of each year. Accrued interest compounds annually on December 1 of each year. The Project's (District Nos. 1 through 7 inclusive) required payment on the bonds is limited to the proceeds generated from the limited mill levy of 35 mills and certain other revenues less priority expenses (see Note 6).

**MEADOWS METROPOLITAN DISTRICT NO. 6  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds, Series 1989A, 1989B, and 1989C (Continued)**

The bonds mature as of June 1, 2029. Interest will not accrue after the 40-year term. However, the Project will continue to set the limited mill levy until the bonds and accrued interest are paid in full. The Project is not entitled to prepay the bonds during the 40-year term.

However, the Project may maintain a sinking fund for future principal payments, provided that all accrued and current interest has been paid. Priority of principal repayment can be assigned among and between the bondholders. Revenues received by the Project will be disbursed for the following (in order of priority):

1. Priority expenses (see Note 6)
2. Current interest
3. Accrued interest from and after March 5, 1993
4. Accrued interest from September 1, 1989, through March 4, 1993, amounting to \$15,659,228
5. Principal
6. Capital improvements

During 2022, District No. 4 computed net revenues available for District Nos. 1, 2, and 7's debt service to be \$11,611,892 under the terms of the Regional Facilities Cost Sharing Agreement (see Note 6).

Interest on the bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on revenues and cannot be predicted with certainty.

**Debt Authorization**

As of December 31, 2022, the District has no authorized but unissued debt.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 NET POSITION**

The District has net position consisting of one component - restricted.

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

	Governmental Activities
Restricted Net Position:	
Capital Projects	\$ 101,496
Total Restricted Net Position	\$ 101,496

**NOTE 6 REGIONAL FACILITIES COST SHARING AGREEMENT**

In September 1988, the District and the other six related districts entered into a Regional Facilities Cost Sharing Agreement. In 1993, the restated Fifth Amendment to this agreement was executed, and in 1994, the Sixth Amendment to this agreement became operational. The intent of these agreements is to have an equal mill levy throughout the Project and to participate fairly and equitably in the joint funding of operations and maintenance of the Project, the associated debt service costs of the Project, and the financing of Project facilities as defined in the intergovernmental agreement with the Town (see Note 7).

District No. 4 has been specified to coordinate and manage the operations and debt service payments of the districts. District No. 4 receives the facilities development fees and other revenues of the Project (District Nos. 1 through 7) and collects property taxes and interest on behalf of District Nos. 2 through 7. District No. 1 collects its own property taxes, interest and Conservation Trust Fund entitlements.

Priority expenses of the Project include the following: costs of revenue collection, operations, and maintenance expenses in an amount not to exceed \$200,000 per year, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$115,000 in 2022 as adjusted for inflation) is designated to be spent by District No. 1 for District No. 1's administration. The remainder (\$313,000 in 2022 as adjusted for inflation) is to be spent by District No. 4 as Master District for the Project.

Normal debt service-related costs such as paying agent fees and trustee fees and bond issuance costs have not been included in priority expenses. Written notice to this effect was provided to the bondholders.

Priority expenses are allocated to the districts as administration charges based upon each individual district's percentage of assessed valuation to the total assessed valuation of the Project.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 6 REGIONAL FACILITIES COST SHARING AGREEMENT (CONTINUED)**

The Project revenues collected by District No. 4, to the extent not required to fund priority expenses and capital improvements of the Project approved by the bondholders, are to be allocated to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued and outstanding of District Nos. 1, 2, and 7.

Property taxes and other revenues of the other districts in the Project which are in excess of the individual district's allocated share of priority expenses are to be allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as described above.

**NOTE 7 INTERGOVERNMENTAL AGREEMENT - TOWN OF CASTLE ROCK**

The District, together with the related contiguous districts, entered into an Intergovernmental Agreement with the Town, dated December 1, 1991, and as amended on October 1, 1993, and December 12, 1996. The Agreement defines the responsibilities of the Town and the District with regard to the development of infrastructure, provision of services, maintenance responsibilities, and collection of facilities development fees. Additionally, the Town has oversight responsibilities and powers as to the District's future debt transactions and the District's ability to impose and collect future fees.

The District has transferred title to its facilities, water rights, and wastewater system capacity to the Town. The Districts do not have any commitment to develop additional facilities to serve the Project other than those described below.

The Town currently maintains and operates the District facilities, except for maintaining certain landscaping. The Town charges users directly for water, sewer and irrigation water. The Town retains a 0.25% administrative fee to cover its cost of collection on all facilities development fees it collects on behalf of the Districts.

The District's landscape responsibilities relate to the maintenance of public street right-of-way, which is the landscaping between the right-of-way and the street curbing, as well as within street medians.

The Agreement further provides that when the water or wastewater capacities are fully utilized, the Districts and Town may agree that the Town will finance the development of additional water or wastewater capacity, and consequently, the Town will be entitled to recover its costs, including interest, from facilities development fees currently being collected by the Town. In 2007, the wastewater capacity maximum was reached, and the Town started to keep a portion of the sewer system development fee.



**MEADOWS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 INTERGOVERNMENTAL AGREEMENT - TOWN OF CASTLE ROCK (CONTINUED)**

On June 16, 2015, the Agreement was amended (Third Amendment to Master Intergovernmental Agreement). Among other items, the third amendment to the Agreement provides that, after July 1, 2015, a portion of the system development fee that is being retained by the Town (capital reserve fee) will be imposed as a District Fee and collected by the Town and remitted to the Districts. The capital reserve fee may be increased by the Districts at the rate of not more than 5% per annum, compounded on each January 1 through the term of the Agreement. Additionally, the third amendment to the Agreement amended the allocation of the system development fee as follows: (i) the Town will retain the treatment component of the water system development fee when the demand for municipal water within the Project exceeds 7,548 SFEs; and (ii) beginning on July 1, 2015, the Town will retain 90% of the wastewater system development fee, provided that if the treatment component is less than 90%, the Town's retained portion shall reduce to reflect such actual treatment component percentage; however, if the treatment component is higher than 90%, the Town shall never retain more than 90% of the wastewater system development fee. On May 31, 2022, the Project has exceeded 7,548 SFEs used. As of December 31, 2022, the Project had a total count of 7,630 SFEs used.

The Project had an obligation to provide financial support in the amount of \$500,000 for the East Plum Creek Trail. The Town had directly deposited, into an escrow held by a trustee for District No. 4, facilities development fees totaling \$500,000 in satisfaction of the East Plum Creek Trail obligation. Interest income generated from the escrow is allocated to District Nos. 1, 2, and 7 to be used for debt service. In 2009, the Project (through District No. 4, the Master District) remitted \$435,284 to the Town in connection with the East Plum Creek Trail and \$1,000 to the trustee for fees related to managing the account. As of December 31, 2022, the remaining balance in the East Plum Creek Trail escrow account was \$53,600.

**NOTE 8 RELATED PARTIES**

The Developer of the property is Castle Rock Development Company (Developer). All members of the Board of Directors are officers or employees associated directly or indirectly with these companies and may have conflicts of interest in dealing with the Districts.

**MEADOWS METROPOLITAN DISTRICT NO. 6**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 9 RISK MANAGEMENT**

District Nos. 1 through 7 are exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or acts of God.

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

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

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.

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.

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. Since the District's net revenue are transferred entirely to District No. 4 for, primarily, debt service of bonds issued for the benefit of the entire Project (see Note 6), an emergency reserve has not been provided. An emergency reserve has been established in District No. 4's Special Revenue Fund as of December 31, 2022.

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, will require judicial interpretation.

**SUPPLEMENTARY INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 6  
CAPITAL PROJECTS FUND – CONSERVATION TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Conservation Trust Entitlement	\$ 6,000	\$ 31,040	\$ 25,040
Interest Income	300	2,650	2,350
Total Revenues	<u>6,300</u>	<u>33,690</u>	<u>27,390</u>
<b>EXPENDITURES</b>			
Current:			
Recreation Facilities	<u>72,716</u>	<u>-</u>	<u>72,716</u>
Total Expenditures	<u>72,716</u>	<u>-</u>	<u>72,716</u>
<b>NET CHANGE IN FUND BALANCES</b>	(66,416)	33,690	100,106
Fund Balance - Beginning of Year	<u>66,416</u>	<u>67,806</u>	<u>1,390</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 101,496</u></u>	<u><u>\$ 101,496</u></u>

## **OTHER INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 6**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 32,728,240	0.000	35.000	\$ 1,145,488	\$ 1,145,491	100.00 %
2019	38,303,370	0.000	35.000	1,340,618	1,336,597	99.70
2020	52,090,960	0.000	35.000	1,823,184	1,816,305	99.62
2021	59,285,590	0.000	35.000	2,074,996	2,070,758	99.80
2022	69,383,460	0.000	35.000	2,428,421	2,418,228	99.58

Estimated for the Year Ending December 31, 2023	\$ 69,308,270	0.000	35.000	\$ 2,425,789		
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NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**MEADOWS METROPOLITAN DISTRICT NO. 7  
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**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

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## **Independent Auditor's Report**

Board of Directors  
Meadows Metropolitan District No. 7  
Douglas County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Meadows Metropolitan District No. 7 (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Meadows Metropolitan District No. 7, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Responsibility of Management 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.

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that governmental 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 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 supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information is listed in the table of contents and does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
June 27, 2023

## **BASIC FINANCIAL STATEMENTS**

**MEADOWS METROPOLITAN DISTRICT NO. 7  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments - Restricted	\$ 27,267
Receivable - County Treasurer	10,898
Due from District No. 4	201,077
Property Taxes Receivable	<u>1,715,835</u>
Total Assets	<u>1,955,077</u>
<b>LIABILITIES</b>	
Due to District No. 4	10,898
Noncurrent Liabilities:	
Due in More Than One Year	<u>91,206,884</u>
Total Liabilities	<u>91,217,782</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Taxes Revenue	<u>1,715,835</u>
Total Deferred Inflows of Resources	<u>1,715,835</u>
<b>NET POSITION</b>	
Restricted for:	
Debt Service	37,673
Capital Projects	190,671
Unrestricted	<u>(91,206,884)</u>
Total Net Position	<u><u>\$ (90,978,540)</u></u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

<b><u>FUNCTIONS/PROGRAMS</u></b>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue (Expenses) and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary Government:					
Government Activities:					
General Government	\$ 1,870,745	\$ -	\$ -	\$ -	\$ (1,870,745)
Culture and Recreation	-	-	27,229	-	27,229
Interest on Long-Term Debt	<u>6,888,708</u>	<u>-</u>	<u>2,554,616</u>	<u>-</u>	<u>(4,334,092)</u>
Total Governmental Activities	<u><u>\$ 8,759,453</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,581,845</u></u>	<u><u>\$ -</u></u>	<u>(6,177,608)</u>
 <b>GENERAL REVENUES</b>					
Property Taxes					1,717,873
Specific Ownership Taxes					151,920
Interest Income					5,527
Total General Revenues					<u>1,875,320</u>
 <b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					<u>(86,676,252)</u>
 <b>NET POSITION - END OF YEAR</b>					
					<u><u>\$ (90,978,540)</u></u>

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Projects - Conservation Trust	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments - Restricted	\$ -	\$ 27,267	\$ -	\$ 27,267
Receivable - County Treasurer	10,898	-	-	10,898
Due from District No. 4	-	10,406	190,671	201,077
Property Taxes Receivable	1,715,835	-	-	1,715,835
Total Assets	<u>\$ 1,726,733</u>	<u>\$ 37,673</u>	<u>\$ 190,671</u>	<u>\$ 1,955,077</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to District No. 4	\$ 10,898	\$ -	\$ -	\$ 10,898
Total Liabilities	10,898	-	-	10,898
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Taxes Revenue	1,715,835	-	-	1,715,835
Total Deferred Inflows of Resources	1,715,835	-	-	1,715,835
<b>FUND BALANCES</b>				
Restricted for:				
Debt Service	-	37,673	-	37,673
Capital Projects	-	-	190,671	190,671
Total Fund Balances	-	37,673	190,671	228,344
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,726,733</u>	<u>\$ 37,673</u>	<u>\$ 190,671</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(15,440,000)
Accrued Interest Payable	(75,766,884)

Net Position of Governmental Activities	<u>\$ (90,978,540)</u>
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See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 7**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects - Conservation Trust	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 1,717,873	\$ -	\$ -	\$ 1,717,873
Specific Ownership Taxes	151,920	-	-	151,920
Intergovernmental Revenue -				
District No. 4	-	2,554,616	-	2,554,616
Conservation Trust Entitlement	-	-	27,229	27,229
Interest Income	952	2,250	2,325	5,527
Total Revenues	<u>1,870,745</u>	<u>2,556,866</u>	<u>29,554</u>	<u>4,457,165</u>
<b>EXPENDITURES</b>				
Current:				
Intergovernmental Expenditure -				
District No. 4	1,844,964	-	-	1,844,964
County Treasurer's Fees	25,781	-	-	25,781
Debt Service:				
Bond Interest	-	2,568,536	-	2,568,536
Total Expenditures	<u>1,870,745</u>	<u>2,568,536</u>	<u>-</u>	<u>4,439,281</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(11,670)	29,554	17,884
Fund Balances - Beginning of Year	<u>-</u>	<u>49,343</u>	<u>161,117</u>	<u>210,460</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 37,673</u></u>	<u><u>\$ 190,671</u></u>	<u><u>\$ 228,344</u></u>

See accompanying Notes to Basic Financial Statements.



**MEADOWS METROPOLITAN DISTRICT NO. 7  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ 17,884

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

Certain expenses, including accrued interest on bonds, reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability (4,320,172)

Change in Net Position of Governmental Activities \$ (4,302,288)

*See accompanying Notes to Basic Financial Statements.*

**MEADOWS METROPOLITAN DISTRICT NO. 7  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,717,956	\$ 1,717,873	\$ (83)
Specific Ownership Taxes	154,616	151,920	(2,696)
Interest Income	-	952	952
Other Revenue	12,428	-	(12,428)
Total Revenues	1,885,000	1,870,745	(14,255)
<b>EXPENDITURES</b>			
Current:			
Intergovernmental Expenditure -			
District No. 4	1,846,803	1,844,964	1,839
County Treasurer's Fees	25,769	25,781	(12)
Contingency	12,428	-	12,428
Total Expenditures	1,885,000	1,870,745	14,255
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
Fund Balance - Beginning of Year	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

**Organization**

Meadows Metropolitan District No. 7 (the District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (the Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by District Nos. 1, 2, and 7, the Town may require that the Districts initiate dissolution procedures.

The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows Project (the Project).

Meadows Metropolitan District No. 4 (District No. 4) is the Master District, which is responsible for the construction of the entire Project improvements and the allocation to each of the related districts of its proportional share of the costs incurred. The District has entered into a Regional Facilities Cost Sharing Agreement (see Note 6), whereby District No. 4 annually sets assessments to the other districts and collects all operating revenues except for property taxes and certain restricted revenues of the related districts.

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 all operations and administrative functions are contracted.

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

**MEADOWS METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

Separate financial statements are provided for governmental funds. Major individual governmental 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Redemption of bonds is recorded as a reduction in liabilities.

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 District 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 and intergovernmental revenues. 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.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The District reports the following major 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 - Conservation Trust Fund is used to account for financial resources to be used for the acquisition or construction and maintenance of recreational facilities.

**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 and other financing uses 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.

**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 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale 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 property taxes are recorded as revenue in the year they are available or collected.

**MEADOWS METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows of Resources**

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.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component.

*Restricted* – This component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors, or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

*Unrestricted* – The component of net position that does not meet the definitions above.

**MEADOWS METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance**

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

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

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

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

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

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

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

**MEADOWS METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Position:

Cash and Investments - Restricted	\$ 27,267
Total and Cash Investments	<u>\$ 27,267</u>

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

Investments	\$ 27,267
Total Cash and Investments	<u>\$ 27,267</u>

**Deposits with Financial Institutions**

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

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

At December 31, 2022, the District had no cash deposits.

**Investments**

The District has not adopted a formal investment policy; however, the District 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.



**MEADOWS METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

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

As of December 31, 2022, the District had the following noncategorized investment:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Morgan Stanley Institutional Liquidity Fund - Treasury Securities Portfolio	Weighted-Average Under 90 Days	\$ 27,267

**Morgan Stanley Treasury Securities Fund**

The debt service money that is included in the trust accounts at United Missouri Bank is invested in the Morgan Stanley Institutional Liquidity Funds' Treasury Securities Portfolio. This portfolio is a money market fund that is managed by Morgan Stanley Investment Management and each share is equal in value to \$1.00. The fund is AAAM rated and invests exclusively in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury securities. The average maturity of the underlying securities is 90 days or less.

The fund records its investments based in amortized costs. The District records its investment in fund using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is not redemption notice period.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS**

The District's transactions relating to long-term debt during 2022 were as follows:

	Balance - January 1, 2022	Additions	Payments	Balance - December 31, 2022	Due Within One Year
General Obligation Bonds					
Series 1989C	\$ 15,440,000	\$ -	\$ -	\$ 15,440,000	\$ -
Accrued Interest	71,446,712	6,888,708	2,568,536	75,766,884	-
Total	<u>\$ 86,886,712</u>	<u>\$ 6,888,708</u>	<u>\$ 2,568,536</u>	<u>\$ 91,206,884</u>	<u>\$ -</u>

Additions to accrued interest include current interest, accrued interest, and compounded interest.

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

**General Obligation Bonds, Series 1989C**

The General Obligation Bonds, Series 1989C, are characterized as general obligation bonds with a "capped mill levy". Effective June 1, 2002, District Nos. 1 through 7 (inclusive) entered into the First Amendment to the Amended and Restated Indenture of Trust, which states that the remaining payments to the bond holders on the Series 1989 General Obligation Bonds will be made on a quarterly basis, instead of semi-annually. Therefore, interest of 7.999% is payable quarterly on March 1, June 1, September 1, and December 1 of each year. Any interest that is due and not paid at the end of each quarter is charged interest at a rate of 7.999% per annum. Unpaid current interest becomes accrued interest on December 1 of each year. Accrued interest compounds annually on December 1 of each year. The District's required payment on the bonds is limited to the proceeds generated from the limited mill levy of 35 mills and certain other revenues less priority expenses (see Note 6).

The bonds mature as of June 1, 2029. Interest will not accrue after the 40-year term. However, the Project will continue to set the limited mill levy until the bonds and accrued interest are paid in full. The Project is not entitled to prepay the bonds during the 40-year term. However, the Project may maintain a sinking fund for future principal payments, provided that all accrued and current interest has been paid. Priority of principal repayment can be assigned among and between the bondholders. Revenues received by the Project will be disbursed for the following (in order of priority):

1. Priority expenses (see Note 6)
2. Current interest
3. Accrued interest from and after March 5, 1993
4. Accrued interest from September 1, 1989, through March 4, 1993, amounting to \$15,659,228
5. Principal
6. Capital improvements

**MEADOWS METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds, Series 1989C (Continued)**

During 2022, under the terms of Regional Facilities Cost Sharing Agreement (see Note 6), District No. 4 computed District No. 7's net revenues available for debt service to be \$2,554,616.

Interest on the bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenues and cannot be predicted with certainty.

**Regional Facilities Cost Sharing Agreement (see Note 6)**

The District is liable for a portion of the total general obligation debt incurred by the other related districts constituting the Project. At December 31, 2022, the total outstanding bond debt (for District Nos. 1, 2 and 7) was \$70,000,000 plus accrued and compounding interest of \$342,416,014. The ultimate amount payable by the District is not determinable because the amounts to be paid in future years for both principal and interest are determined annually based on revenues and relative changes in assessed valuations among the seven districts.

The District relies on the development of the entire Project to provide revenues and cash flows sufficient to allow the District to pay its debt service obligations and those of District Nos. 1 and 2 in future years. System development fees and property taxes will depend on future development and cannot be predicted with certainty.

**Debt Authorization**

As of December 31, 2022, the District has no authorized but unissued debt.

**NOTE 5 NET POSITION**

The District has net position consisting of two components - restricted and unrestricted.

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

Restricted Net Position:

Debt Service	\$ 37,673
Capital Projects	190,671
Total Restricted Net Position	\$ 228,344

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued and compounding accrued interest for the construction of public improvements conveyed to other government entities.

**MEADOWS METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6 REGIONAL FACILITIES COST SHARING AGREEMENT**

In September 1988, the District and the other six related districts entered into a Regional Facilities Cost Sharing Agreement. In 1993, the restated Fifth Amendment to this agreement was executed, and in 1994, the Sixth Amendment to this agreement became operational. The intent of these agreements is to have an equal mill levy throughout the Project and to participate fairly and equitably in the joint funding of operations and maintenance of the Project, the associated debt service costs of the Project, and the financing of Project facilities as defined in the intergovernmental agreement with the Town of Castle Rock (see Note 7).

District No. 4 has been specified to coordinate and manage the operations and debt service payments of the districts. District No. 4 receives the system development fees and other revenues of the Project (District Nos. 1 through 7) and collects property taxes and interest on behalf of District Nos. 2 through 7. District No. 1 collects its own property taxes, interest, and Conservation Trust Fund entitlements.

Priority expenses of the Project include the following: costs of revenue collection, operations, and maintenance expenses in an amount not to exceed \$200,000 per year, water service fees, and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$115,000 in 2022 as adjusted for inflation) is designated to be spent by District No. 1 for District No. 1's administration. The remainder (\$313,000 in 2022 as adjusted for inflation) is to be spent by District No. 4 as Master District for the Project.

Normal debt service-related costs such as paying agent fees and trustee fees and bond issuance costs have not been included in priority expenses. Written notice to this effect was provided to the bondholders.

Priority expenses are allocated to the districts as administration charges based upon each individual district's percentage of assessed valuation to the total assessed valuation of the Project.

The Project revenues collected by District No. 4, to the extent not required to fund priority expenses and capital improvements of the Project approved by the bondholders, are to be allocated to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued and outstanding of District Nos. 1, 2, and 7.

Property taxes and other revenues of the other districts in the Project which are in excess of the individual district's allocated share of priority expenses are to be allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as described above.

**MEADOWS METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 INTERGOVERNMENTAL AGREEMENT - TOWN OF CASTLE ROCK**

The District, together with the related contiguous districts, entered into an Intergovernmental Agreement (the Agreement) with the Town, dated December 1, 1991, and amended on October 1, 1993, and December 12, 1996. The Agreement defines the responsibilities of the Town and the District with regard to the development of infrastructure, provision of services, maintenance responsibilities, and collection of system development fees. Additionally, the Town has oversight responsibilities and powers as to the District's future debt transactions and the District's ability to impose and collect future fees.

The District has transferred title to its facilities, water rights, and wastewater system capacity to the Town. The Districts do not have any commitment to develop additional facilities to serve the Project other than those described below.

The Town currently maintains and operates the District facilities, except for maintaining certain landscaping. The Town charges users directly for water, sewer, and irrigation water. The Town retains a 0.25% administrative fee to cover its cost of collection on all system development fees it collects on behalf of the Districts.

The District's landscape responsibilities relate to the maintenance of public street right-of-way, which is the landscaping between the right-of-way and the street curbing, as well as within street medians.

The Agreement further provides that when the water or wastewater capacities are fully utilized, the Districts and Town may agree that the Town will finance the development of additional water or wastewater capacity, and consequently, the Town will be entitled to recover its costs, including interest, from system development fees currently being collected by the Town. In 2007, the wastewater capacity maximum was reached, and the Town started to keep a portion of the wastewater system development fee.

On June 16, 2015, the Agreement was amended (Third Amendment to Master Intergovernmental Agreement). Among other items, the third amendment to the Agreement provides that, after July 1, 2015, a portion of the system development fee that is being retained by the Town (capital reserve fee) will be imposed as a District Fee and collected by the Town and remitted to the Districts. The capital reserve fee may be increased by the Districts at the rate of not more than 5% per annum, compounded on each January 1 through the term of the Agreement. Additionally, the third amendment to the Agreement amended the allocation of the system development fee as follows: (i) the Town will retain the treatment component of the water system development fee when the demand for municipal water within the Project exceeds 7,548 SFEs, and (ii) beginning on July 1, 2015, the Town will retain 90% of the wastewater system development fee; provided that if the treatment component is less than 90%, the Town's retained portion shall reduce to reflect such actual treatment component percentage; however, if the treatment component is higher than 90%, the Town shall never retain more than 90% of the wastewater system development fee. On May 31, 2022, the Project had exceeded 7,548 SFEs used. As of December 31, 2022, the Project had a total count of 7,630 SFEs used.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 7 INTERGOVERNMENTAL AGREEMENT - TOWN OF CASTLE ROCK (CONTINUED)**

The Project had an obligation to provide financial support in the amount of \$500,000 for the East Plum Creek Trail. The Town had directly deposited, into an escrow held by a trustee for District No. 4, system development fees totaling \$500,000 in satisfaction of the East Plum Creek Trail obligation. Interest income generated from the escrow is allocated to District Nos. 1, 2, and 7 to be used for debt service. In 2009, the Project (through District No. 4, the Operating District) remitted \$435,284 to the Town in connection with the East Plum Creek Trail and \$1,000 to the trustee for fees related to managing the account. As of December 31, 2022, the remaining balance in the East Plum Creek Trail escrow account was \$53,600.

**NOTE 8 RELATED PARTIES**

The Developer of the property is Castle Rock Development Company (the Developer). All members of the Board of Directors are officers or employees associated directly or indirectly with this company and may have conflicts of interest in dealing with the Districts.

**NOTE 9 RISK MANAGEMENT**

District Nos. 1 through 7 are exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or acts of God.

The Districts are members of the Colorado Special Districts Property and Liability Pool (the 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 Districts pay annual premiums to the Pool for liability and public officials' liability 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.

**MEADOWS METROPOLITAN DISTRICT NO. 7**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

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.

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.

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. Since the District's net revenue is transferred entirely to District No. 4 for, primarily, debt service of bonds issued for the benefit of the entire Project (see Note 6), an Emergency Reserve has not been provided. An Emergency Reserve has been established in District No. 4's Special Revenue Fund as of December 31, 2022.

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, will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**



**MEADOWS METROPOLITAN DISTRICT NO. 7  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental Revenue - District No. 4	\$ 2,542,024	\$ 2,554,616	\$ 12,592
Interest Income	100	2,250	2,150
Other Revenue	57,876	-	(57,876)
Total Revenues	<u>2,600,000</u>	<u>2,556,866</u>	<u>(43,134)</u>
<b>EXPENDITURES</b>			
Debt Service:			
Bond Interest	2,542,124	2,568,536	(26,412)
Contingency	57,876	-	57,876
Total Expenditures	<u>2,600,000</u>	<u>2,568,536</u>	<u>31,464</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(11,670)	(11,670)
Fund Balance - Beginning of Year	<u>-</u>	<u>49,343</u>	<u>49,343</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 37,673</u>	<u>\$ 37,673</u>

**MEADOWS METROPOLITAN DISTRICT NO. 7  
CAPITAL PROJECTS FUND – CONSERVATION TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Conservation Trust Entitlement	\$ 16,000	\$ 27,229	\$ 11,229
Interest Income	200	2,325	2,125
Total Revenues	<u>16,200</u>	<u>29,554</u>	<u>13,354</u>
<b>EXPENDITURES</b>			
Recreation Facilities	<u>176,536</u>	-	<u>176,536</u>
Total Expenditures	<u>176,536</u>	<u>-</u>	<u>176,536</u>
<b>NET CHANGE IN FUND BALANCE</b>	(160,336)	29,554	189,890
Fund Balance - Beginning of Year	<u>160,336</u>	<u>161,117</u>	<u>781</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 190,671</u>	<u>\$ 190,671</u>

## **OTHER INFORMATION**

**MEADOWS METROPOLITAN DISTRICT NO. 7  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 40,406,770	0.000	35.000	\$ 1,414,237	\$ 1,414,184	100.00 %
2019	40,386,580	0.000	35.000	1,413,530	1,413,533	100.00
2020	44,266,580	0.000	35.000	1,549,330	1,549,182	99.99
2021	45,521,210	0.000	35.000	1,593,242	1,593,245	100.00
2022	49,084,450	0.000	35.000	1,717,956	1,717,873	100.00

Estimated for Year Ending December 31, 2023	\$ 49,023,870	0.000	35.000	\$ 1,715,835		
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**NOTE:**

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

**Exhibit B**  
2023 Budgets

**RESOLUTION  
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
MEADOWS METROPOLITAN DISTRICT NO. 1**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MEADOWS METROPOLITAN DISTRICT NO. 1, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Meadows Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 14, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ 387,779; and

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

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 1,580,641; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ -0-; and

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

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$56,240,560; and

WHEREAS, at an election held on July 11, 1985, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MEADOWS METROPOLITAN DISTRICT NO. 1 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Meadows Metropolitan District No. 1 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 6.895 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 28.105 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

*[remainder of page intentionally left blank; signature page follows]*



ADOPTED this 14<sup>th</sup> day of November, 2022.

MEADOWS METROPOLITAN DISTRICT  
NO. 1

*Steve Thayer*

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Steven M. Thayer, President

ATTEST:

*Richard Morton*

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Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January 28, 2023

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

Attached are the 2023 budget and budget message for MEADOWS METROPOLITAN DISTRICT NO. 1 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 14, 2022. If there are any questions on the budget, please contact:

Seef Le Roux  
CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
[seef.leroux@claconnect.com](mailto:seef.leroux@claconnect.com)  
Tel: 719-284-7225

I, Steven M. Thayer as President of the Meadows Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Steve Thayer  
Steven M. Thayer, President

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

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

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

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,432,633	\$ 1,502,757	\$ 939,398
REVENUES			
Property taxes	1,916,950	2,025,816	1,968,420
Specific ownership taxes	184,730	182,323	177,158
Interest income	2,035	8,600	11,000
Conservation trust fund	51,315	35,000	51,000
Other revenue	100	100	86,247
Intergovernmental revenues - District No. 4	4,686,802	5,093,410	4,969,853
Total revenues	<u>6,841,932</u>	<u>7,345,249</u>	<u>7,263,678</u>
Total funds available	<u>8,274,565</u>	<u>8,848,006</u>	<u>8,203,076</u>
EXPENDITURES			
General Fund	2,049,165	2,675,936	2,664,936
Debt Service Fund	4,722,643	5,192,696	5,057,000
Capital Projects Fund	-	39,976	476,540
Total expenditures	<u>6,771,808</u>	<u>7,908,608</u>	<u>8,198,476</u>
Total expenditures and transfers out requiring appropriation	<u>6,771,808</u>	<u>7,908,608</u>	<u>8,198,476</u>
ENDING FUND BALANCES	<u>\$ 1,502,757</u>	<u>\$ 939,398</u>	<u>\$ 4,600</u>
EMERGENCY RESERVE	<u>\$ 4,200</u>	<u>\$ 4,400</u>	<u>\$ 4,600</u>

No assurance provided. See summary of significant assumptions.

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

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential	\$ 54,302,870	\$ 57,480,820	\$ 55,873,130
State assessed	317,800	306,100	273,900
Vacant land	108,690	93,530	93,530
Certified Assessed Value	\$ 54,729,360	\$ 57,880,450	\$ 56,240,560
 <b>MILL LEVY</b>			
General	6.364	6.351	6.895
Debt Service	28.636	28.649	28.105
Total mill levy	35.000	35.000	35.000
 <b>PROPERTY TAXES</b>			
General	\$ 348,298	\$ 367,599	\$ 387,779
Debt Service	1,567,230	1,658,217	1,580,641
Levied property taxes	1,915,528	2,025,816	1,968,420
Adjustments to actual/rounding	1,422	-	
Budgeted property taxes	\$ 1,916,950	\$ 2,025,816	\$ 1,968,420
 <b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 348,556</b>	<b>\$ 367,599</b>	<b>\$ 387,779</b>
Debt Service	<b>1,568,394</b>	<b>1,658,217</b>	<b>1,580,641</b>
	<b>\$ 1,916,950</b>	<b>\$ 2,025,816</b>	<b>\$ 1,968,420</b>

No assurance provided. See summary of significant assumptions.

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

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 923,100	\$ 977,555	\$ 515,858
<b>REVENUES</b>			
Property taxes	1,916,950	2,025,816	1,968,420
Specific ownership taxes	184,730	182,323	177,158
Interest income	1,840	6,000	8,000
Other revenue	100	100	100
Total revenues	2,103,620	2,214,239	2,153,678
Total funds available	3,026,720	3,191,794	2,669,536
<b>EXPENDITURES</b>			
General and administrative			
Accounting	22,256	32,000	38,000
Audit	3,900	4,000	4,500
County Treasurer's fee	28,775	30,387	29,526
Directors' fees	1,500	2,000	2,000
Dues and memberships	1,238	1,238	1,300
Insurance and bonds	2,099	2,098	2,300
Legal services	5,537	15,000	15,000
Miscellaneous	-	-	200
Community support	20,000	18,950	20,000
Payroll taxes	115	153	153
Election expense	-	1,358	1,500
Contingency	-	-	5,000
Intergovernmental expense - District No. 4	1,963,745	2,068,752	2,000,052
Operations and maintenance			
Transfer for Priority Expenses	111,000	115,000	124,000
Unallocated priority expenses	-	-	34,047
Capital improvements	-	500,000	511,358
Total expenditures	2,049,165	2,675,936	2,664,936
Total expenditures and transfers out requiring appropriation	2,049,165	2,675,936	2,664,936
ENDING FUND BALANCE	\$ 977,555	\$ 515,858	\$ 4,600
EMERGENCY RESERVE	\$ 4,200	\$ 4,400	\$ 4,600

No assurance provided. See summary of significant assumptions.

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

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 134,467	\$ 98,686	\$ -
<b>REVENUES</b>			
Interest income	60	600	1,000
Other revenue	-	-	86,147
Intergovernmental revenues - District No. 4	4,686,802	5,093,410	4,969,853
Total revenues	4,686,862	5,094,010	5,057,000
Total funds available	4,821,329	5,192,696	5,057,000
<b>EXPENDITURES</b>			
General and administrative			
Debt Service			
Bond interest	4,722,643	5,192,696	4,970,853
Contingency	-	-	86,147
Total expenditures	4,722,643	5,192,696	5,057,000
Total expenditures and transfers out requiring appropriation	4,722,643	5,192,696	5,057,000
ENDING FUND BALANCE	\$ 98,686	\$ -	\$ -

No assurance provided. See summary of significant assumptions.



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

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 375,066	\$ 426,516	\$ 423,540
<b>REVENUES</b>			
Interest income	135	2,000	2,000
Conservation trust fund	51,315	35,000	51,000
Total revenues	51,450	37,000	53,000
Total funds available	426,516	463,516	476,540
<b>EXPENDITURES</b>			
Capital Projects			
Parks and recreation	-	39,976	426,540
Trail amenities	-	-	50,000
Total expenditures	-	39,976	476,540
Total expenditures and transfers out requiring appropriation	-	39,976	476,540
ENDING FUND BALANCE	\$ 426,516	\$ 423,540	\$ -

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 1  
 OPERATIONAL EXPENDITURES - DETAILS  
 2023 BUDGET AS PROPOSED  
 WITH 2021 ACTUAL AND 2022 ESTIMATED  
 For the Years Ended and Ending December 31,**

1/22/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
Accounting	\$ 22,256	\$ 32,000	\$ 38,000
Audit	3,900	4,000	4,500
Director fees	1,500	2,000	2,000
Insurance	2,099	2,098	2,300
Legal	5,537	15,000	15,000
Dues and membership	1,238	1,238	1,300
Community support	20,000	18,950	20,000
Payroll taxes	115	153	153
Election expense	-	1,358	1,500
Contingency	-	-	5,000
Miscellaneous	-	-	200
Unallocated priority expenses	-	-	34,047
<b>Total Operational Expenditures</b>	<b>\$ 56,645</b>	<b>\$ 76,797</b>	<b>\$ 124,000</b>
Calculation of Operational			
Expenditures adjusted for inflation	\$ 109,000	\$ 111,000	\$ 115,000
	101.700%	103.700%	108.000%
Rounded to nearest \$100	<b>\$ 111,000</b>	<b>\$ 115,000</b>	<b>\$ 124,000</b>

No assurance provided. See summary of significant assumptions.

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

**BOARD CONTROL**

1/22/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 923,100	\$ 977,555	\$ 515,858
REVENUES			
Other income	100	100	100
Total revenues	<u>100</u>	<u>100</u>	<u>100</u>
Total funds available	<u>923,200</u>	<u>977,655</u>	<u>515,958</u>
EXPENDITURES			
General and administration			
Accounting	22,256	32,000	38,000
Audit	3,900	4,000	4,500
Capital improvements	-	500,000	511,358
Community support	20,000	18,950	20,000
Contingency	-	-	5,000
Director fees	1,500	2,000	2,000
Dues and membership	1,238	1,238	1,300
Election expense	-	1,358	1,500
Insurance	2,099	2,098	2,300
Legal	5,537	15,000	15,000
Miscellaneous	-	-	200
Payroll tax	115	153	153
Unallocated priority expenses	-	-	34,047
Total expenditures	<u>56,645</u>	<u>576,797</u>	<u>635,358</u>
OTHER FINANCING SOURCES (USES)			
Priority expenses	<u>111,000</u>	<u>115,000</u>	<u>124,000</u>
ENDING FUND BALANCES	<u>\$ 977,555</u>	<u>\$ 515,858</u>	<u>\$ 4,600</u>

No assurance provided. See summary of significant assumptions.

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

**IGA WITH DISTRICT NO. 4**

1/22/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
<b>REVENUES</b>			
Property taxes	1,916,950	2,025,816	1,968,420
Specific ownership taxes	184,730	182,323	177,158
Interest income	1,840	6,000	8,000
Total revenues	<u>2,103,520</u>	<u>2,214,139</u>	<u>2,153,578</u>
Total funds available	<u>2,103,520</u>	<u>2,214,139</u>	<u>2,153,578</u>
<b>EXPENDITURES</b>			
General and administration			
IGA expenditure - District No. 4	1,963,745	2,068,752	2,000,052
County Treasurer's fees	28,775	30,387	29,526
Total expenditures	<u>1,992,520</u>	<u>2,099,139</u>	<u>2,029,578</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Priority expenses	<u>(111,000)</u>	<u>(115,000)</u>	<u>(124,000)</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

**Services Provided**

Meadows Metropolitan District No. 1 (District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by the District, the Town may require that the District initiate dissolution procedures.

The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows project (Project).

Meadows Metropolitan District No. 4 (District No. 4) is the Master District, which is responsible for the construction of the entire Project improvements and the allocation to each of the related districts of its proportional share of the costs incurred. The District has entered into a Regional Facilities Cost Sharing Agreement whereby District No. 4 annually sets assessments to the other districts and receives the facilities development fees and other revenue of the Project (District No. 1 through No. 7) and collects property taxes and interest on behalf of District No. 2 through No. 7. The District collects its own property taxes.

The District provides for its own administrative and operating expenditures and is a participant in an intergovernmental agreement ("District Agreement") between Meadows Metropolitan District Nos. 1 through No. 7 (inclusive, "the Project"), in which District No. 4 acts as the "Master District" for the Project. The District Agreement provides for the sharing of the Project costs including administrative services and debt service among the individual Districts of the Project. Most services, primarily consisting of landscape maintenance, are provided under the District Agreement by the Master District. All other services under the District's powers are provided by the Town of Castle Rock under a separate intergovernmental agreement.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The District has no employees and all administrative functions are contracted.

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

**Revenues**

**Property Taxes**

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

The District is required to impose a maximum Required Mill Levy of 35.000 mills for collection in 2023. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on prior year's interest earnings.

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

**Expenditures**

**General and Administrative Expenditures**

General and administrative expenditures are estimated based upon the prior years' experience.

**Capital Improvements**

The District anticipates entering into contracts in 2023 to improve the Project using accumulated capital improvement reserves. Capital improvements may include costs related to improving streets and irrigation facilities.

The District anticipates spending Conservation Trust Fund monies for the construction or purchase of recreational facilities.

**Debt Service**

On December 29, 1993, the Series 1989A, 1989B and 1989C, General Obligation Bonds were restructured. The restructured bonds are characterized as General Obligation Bonds with a "capped mill levy". Interest of 7.999% is payable to the bondholder quarterly on March 1, June 1, September 1 and December 1 of each year. Unpaid current interest becomes accrued interest. Accrued interest compounds annually on December 1 of each year. The Project's required payment on the bonds is limited to the proceeds generated from the limited mill levy and Project Revenue less priority expenses. Priority expenses of the project include the following: costs of revenue collection, operations and maintenance expenses in an amount not to exceed \$200,000 as adjusted for inflation, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$124,000 in 2023 as adjusted for inflation) is designated to be spent by the District for administration costs. The remainder (\$338,000 in 2023 as adjusted for inflation) is to be spent by the Master District for the Project.

The limited mill levy is to be levied (for collection in the year following the levy year) as follows:

<u>Collection Year</u>	<u>Mill Levy</u>
2003 and thereafter	35 mills

To the extent that District Nos. 1, 2, 3, 4, 5, 6, or 7 property tax revenue or other revenue exceed their allocated share of priority expenses, such excess is to be applied to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued by District Nos. 1, 2, and 7. Project Revenue, to the extent that it is not required to fund priority expenses and certain capital expenditures of the Project, is allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as excess revenue of the other Districts.

Interest on the Bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenue and cannot be predicted with certainty.

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

**Expenditures – (continued)**

The Master District has been specified to coordinate debt service payments of the Project.

	Balance December 31, 2021	Additions	Payments	Balance December 31, 2022	Due Within One Year
General Obligation					
Bonds Series 1989A	\$ 30,730,000	\$ -	\$ -	\$ 30,730,000	\$ -
Accrued interest	141,385,645	13,644,078 (a)	5,192,696	149,837,027	-
Total	<u>\$172,115,645</u>	<u>\$ 13,644,078</u>	<u>\$ 5,192,696</u>	<u>\$180,567,027</u>	<u>\$ -</u>

	Balance December 31, 2022	Additions	Payments	Balance December 31, 2023	Due Within One Year
General Obligation					
Bonds Series 1989A	\$ 30,730,000	\$ -	\$ -	\$ 30,730,000	\$ -
Accrued interest	149,837,027	14,334,546 (b)	4,970,853	159,200,720	-
Total	<u>\$180,567,027</u>	<u>\$ 14,334,546</u>	<u>\$ 4,970,853</u>	<u>\$189,930,720</u>	<u>\$ -</u>

(a) Estimated for the year ending December 31, 2022

(b) Estimated for the year ending December 31, 2023

**Leases**

The District is not a Lessee under an operating lease or capital lease financing agreement. The District is a lessor in an agreement with Meadows Neighborhood Company, wherein the District will receive \$100 per year for use of a mobile stage.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve equal to at least 3% of fiscal year spending for 2023 as defined under TABOR.

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



# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of DOUGLAS COUNTY, Colorado.

On behalf of the MEADOWS METROPOLITAN DISTRICT NO. 1,  
(taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS  
(governing body)<sup>B</sup>

of the MEADOWS METROPOLITAN DISTRICT NO. 1  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 56,240,560 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 56,240,560 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/08/2022 for budget/fiscal year 2023.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	6.895 mills	\$ 387,779
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>6.895 mills</b>	<b>\$ 387,779</b>
3. General Obligation Bonds and Interest <sup>J</sup>	28.105 mills	\$ 1,580,641
4. Contractual Obligations <sup>K</sup>	mills	\$
5. Capital Expenditures <sup>L</sup>	mills	\$
6. Refunds/Abatements <sup>M</sup>	mills	\$
7. Other <sup>N</sup> (specify): _____	mills	\$
_____	mills	\$
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>35.000 mills</b>	<b>\$ 1,968,420</b>

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

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |    |                   |   |
|----|-------------------|---|
| 1. | Purpose of Issue: | <u>Public Infrastructure/Capital Improvements</u> |
|    | Series:           | <u>1989 A,B,C</u>                                 |
|    | Date of Issue:    | <u>September 1, 1989</u>                          |
|    | Coupon Rate:      | <u>7.999%</u>                                     |
|    | Maturity Date:    | <u>June 1, 2029</u>                               |
|    | Levy:             | <u>28.105</u>                                     |
|    | Revenue:          | <u>\$1,580,641</u>                                |
|    |                   |   |
| 2. | Purpose of Issue: | _____   |
|    | Series:           | _____   |
|    | Date of Issue:    | _____   |
|    | Coupon Rate:      | _____   |
|    | Maturity Date:    | _____   |
|    | Levy:             | _____   |
|    | Revenue:          | _____   |

**CONTRACTS<sup>K</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**RESOLUTION TO AMEND 2022 BUDGET  
MEADOWS METROPOLITAN DISTRICT NO. 2**

WHEREAS, the Board of Directors of the Meadows Metropolitan District No. 2 appropriated funds for the fiscal year 2022 as follows:

General Fund	\$	1,590,000
Debt Service Fund	\$	3,960,000
Capital Projects Fund	\$	198,147

; and

WHEREAS, the necessity has arisen for additional expenditures or appropriations requiring the expenditure of funds in excess of those appropriated for the fiscal year 2022; and

WHEREAS, the expenditures are a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, the necessity has arisen for additional appropriations and expenditures of funds as reflected by satisfactory evidence presented to and accepted by the Board of Directors at this meeting and set out in the amended budget attached hereto as **Exhibit A**; and

WHEREAS, funds are available for such expenditures from revenue funds available to the District; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget amendment was available for inspection by the public at a designated public office, a public hearing was held on November 9, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget amendment.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Meadows Metropolitan District No. 2 shall and hereby does amend the budget for the fiscal year 2022 as follows:

Debt Service Fund	\$	3,980,000
-------------------	----	-----------

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the above-referenced Fund(s) for the purposes stated in **Exhibit A** and, if applicable, that such action of the Board is hereby ratified and approved *nunc pro tunc* as of the date of the actual expenditures.

*[remainder of page intentionally left blank; signature page follows]*

ADOPTED this 9th day of November 2022.

MEADOWS METROPOLITAN DISTRICT NO. 2

By: Stephanie McCandless  
Stephanie L. McCandless President

ATTEST:  
Logan Jones  
Secretary

## **EXHIBIT A**

**MEADOWS METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
2022 BUDGET**

	Original Budget 2022	Amended Budget 2022
	<u>                    </u>	<u>                    </u>
BEGINNING FUND BALANCE	\$ -	\$ -
REVENUE		
IGA revenue - District No. 4	3,928,582	3,948,043
Interest income	100	3,500
Other revenue	31,318	28,457
Total revenue	<u>3,960,000</u>	<u>3,980,000</u>
Total funds available	<u>3,960,000</u>	<u>3,980,000</u>
EXPENDITURES		
Debt Service		
Bond interest	3,928,682	3,951,543
Contingency	31,318	28,457
Total expenditures	<u>3,960,000</u>	<u>3,980,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,960,000</u>	<u>3,980,000</u>
ENDING FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**RESOLUTION  
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
MEADOWS METROPOLITAN DISTRICT NO. 2**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MEADOWS METROPOLITAN DISTRICT NO. 2, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Meadows Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 9, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ -0-; and

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

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 1,402,649; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ -0-; and

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

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$ 40,075,690; and

WHEREAS, at an election held on July 11, 1985, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MEADOWS METROPOLITAN DISTRICT NO. 2 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Meadows Metropolitan District No. 2 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 35.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.



D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

*[remainder of page intentionally left blank; signature page follows]*

ADOPTED this 9<sup>th</sup> day of November, 2022.

MEADOWS METROPOLITAN DISTRICT  
NO. 2

*Stephanie McCandless*

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Stephanie L. McCandless, President

ATTEST:

*Logan Jones*

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Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January 28, 2023

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

Attached are the 2023 budget and budget message for MEADOWS METROPOLITAN DISTRICT NO. 2 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 9, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen, LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Carrie Bartow [Carrie.Bartow@clacconnect.com](mailto:Carrie.Bartow@clacconnect.com)  
Seef Le Roux [Seef.LeRoux@clacconnect.com](mailto:Seef.LeRoux@clacconnect.com)  
Jennifer VanValen [Jennifer.VanValen@clacconnect.com](mailto:Jennifer.VanValen@clacconnect.com)  
Tele: 303-779-5710

I, Stephanie L. McCandless as President of the Meadows Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: *Stephanie McCandless*  
Stephanie L. McCandless, President

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

**MEADOWS METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**MEADOWS METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 265,753	\$ 259,890	\$ 214,712
REVENUE			
Property taxes	1,357,710	1,443,349	1,402,649
Specific ownership tax	130,935	125,424	126,238
IGA revenue - District No. 4	3,621,620	3,935,817	3,840,341
Other revenue	-	-	37,972
Conservation Trust entitlement	21,728	31,000	25,000
Interest income	751	1,280	1,600
Total revenue	<u>5,132,744</u>	<u>5,536,870</u>	<u>5,433,800</u>
Total funds available	<u>5,398,497</u>	<u>5,796,760</u>	<u>5,648,512</u>
EXPENDITURES			
General Fund	1,489,292	1,569,473	1,550,000
Debt Service Fund	3,649,315	4,012,575	3,858,600
Capital Projects Fund	-	-	239,912
Total expenditures	<u>5,138,607</u>	<u>5,582,048</u>	<u>5,648,512</u>
Total expenditures and transfers out requiring appropriation	<u>5,138,607</u>	<u>5,582,048</u>	<u>5,648,512</u>
ENDING FUND BALANCES	<u>\$ 259,890</u>	<u>\$ 214,712</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential	\$ 38,533,380	\$ 40,973,180	\$ 39,827,120
State assessed	125,600	118,400	101,600
Vacant land	132,680	146,970	146,970
Certified Assessed Value	<u>\$ 38,791,660</u>	<u>\$ 41,238,550</u>	<u>\$ 40,075,690</u>
<b>MILL LEVY</b>			
Debt Service	35.000	35.000	35.000
Total mill levy	<u>35.000</u>	<u>35.000</u>	<u>35.000</u>
<b>PROPERTY TAXES</b>			
Debt Service	\$ 1,357,708	\$ 1,443,349	\$ 1,402,649
Levied property taxes	<u>1,357,708</u>	<u>1,443,349</u>	<u>1,402,649</u>
Adjustments to actual/rounding	2		-
Budgeted property taxes	<u>\$ 1,357,710</u>	<u>\$ 1,443,349</u>	<u>\$ 1,402,649</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 1,357,710</u>	<u>\$ 1,443,349</u>	<u>\$ 1,402,649</u>
	<u>\$ 1,357,710</u>	<u>\$ 1,443,349</u>	<u>\$ 1,402,649</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	1,357,710	1,443,349	1,402,649
Specific ownership tax	130,935	125,424	126,238
Interest income	647	700	1,000
Other revenue	-	-	20,113
Total revenue	<u>1,489,292</u>	<u>1,569,473</u>	<u>1,550,000</u>
Total funds available	<u>1,489,292</u>	<u>1,569,473</u>	<u>1,550,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	20,375	21,650	21,040
Contingency	-	-	20,113
IGA expenditure - District No. 4	1,468,917	1,547,823	1,508,847
Total expenditures	<u>1,489,292</u>	<u>1,569,473</u>	<u>1,550,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,489,292</u>	<u>1,569,473</u>	<u>1,550,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.



**MEADOWS METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 103,906	\$ 76,258	\$ -
REVENUE			
IGA revenue - District No. 4	3,621,620	3,935,817	3,840,341
Interest income	47	500	400
Other revenue	-	-	17,859
Total revenue	<u>3,621,667</u>	<u>3,936,317</u>	<u>3,858,600</u>
Total funds available	<u>3,725,573</u>	<u>4,012,575</u>	<u>3,858,600</u>
EXPENDITURES			
Debt Service			
Bond interest	3,649,315	4,012,575	3,840,741
Contingency	-	-	17,859
Total expenditures	<u>3,649,315</u>	<u>4,012,575</u>	<u>3,858,600</u>
Total expenditures and transfers out requiring appropriation	<u>3,649,315</u>	<u>4,012,575</u>	<u>3,858,600</u>
ENDING FUND BALANCE	<u>\$ 76,258</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 161,847	\$ 183,632	\$ 214,712
REVENUE			
Conservation Trust entitlement	21,728	31,000	25,000
Interest income	57	80	200
Total revenue	<u>21,785</u>	<u>31,080</u>	<u>25,200</u>
Total funds available	<u>183,632</u>	<u>214,712</u>	<u>239,912</u>
EXPENDITURES			
Capital Projects			
Parks and recreation	-	-	239,912
Total expenditures	<u>-</u>	<u>-</u>	<u>239,912</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>239,912</u>
ENDING FUND BALANCE	<u>\$ 183,632</u>	<u>\$ 214,712</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Meadows Metropolitan District No. 2 (District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows project (Project). The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by the District, the Town may require that the District initiate dissolution procedures.

The District provides no services directly at this time, but is a participant in an intergovernmental agreement ("District Agreement") between Meadows Metropolitan District Nos. 1 through No. 7 (inclusive, "the Project"), in which District No. 4 acts as the "Master District" for the Project. The District Agreement provides for the sharing of the Project costs including administrative services and debt service among the individual Districts of the Project. Most services, primarily consisting of landscape maintenance, are provided under the District Agreement by the Master District. All other services under the District's powers are provided by the Town of Castle Rock under a separate intergovernmental agreement.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The District has no employees and all administrative functions are contracted.

**Revenues**

The Master District receives the revenue for the Project, including facility development fees, interest on invested funds and other revenue ("Project Revenue") and collects property taxes and interest on behalf of Districts No. 2 through No. 7.

**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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

The District is required to impose a maximum Required Mill Levy of 35.000 mills for collection in 2023. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on prior year's interest earnings.

**Expenditures**

**Administrative and Operations Expenditures**

Administrative and operations expenditures of the Project, except as later noted, are paid through the Master District under the District Agreement. The contractual obligation represents a portion of the District's share of the administrative expenditures (priority expenditures) of the Project which have been allocated to all Districts of the Project based on their relative assessed valuations.

Operating expenditures to be incurred by the District are estimated based upon the prior year's experience.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Debt Service**

On December 29, 1993, the Series 1989A, 1989B and 1989C, General Obligation Bonds were restructured. The restructured bonds are characterized as General Obligation Bonds with a "capped mill levy". Interest of 7.999% is payable to the bondholder quarterly on March 1, June 1, September 1 and December 1 of each year. Unpaid current interest becomes accrued interest. Accrued interest compounds annually on December 1 of each year. The Project's required payment on the bonds is limited to the proceeds generated from the limited mill levy and Project Revenue less priority expenses. Priority expenses of the project include the following: costs of revenue collection, operations and maintenance expenses in an amount not to exceed \$200,000 as adjusted for inflation, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$124,000 in 2023 as adjusted for inflation) is designated to be spent by District No. 1 for the District's administration. The remainder (\$338,000 in 2023 as adjusted for inflation) is to be spent by the Master District for the Project.

The limited mill levy is to be levied (for collection in the year following the levy year) as follows:

<u>Collection Year</u>	<u>Mill Levy</u>
2003 and thereafter	35.000 mills

To the extent that District Nos. 1, 2, 3, 4, 5, 6, or 7 property tax revenue or other revenue exceed their allocated share of priority expenses, such excess is to be applied to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued by District Nos. 1, 2, and 7. Project Revenue, to the extent that it is not required to fund priority expenses and certain capital expenditures of the Project, is allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as excess revenue of the other Districts.

Interest on the Bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenue and cannot be predicted with certainty.

The Master District has been designated to coordinate debt service payments of the Project.

**MEADOWS METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

	Balance December 31, 2021	Additions	Payments	Balance December 31, 2022	Due Within One Year
General Obligation					
Bonds Series 1989B	\$ 23,830,000	\$ -	\$ -	\$ 23,830,000	\$ -
Accrued interest	110,106,954	10,618,425 (a)	4,012,575	116,712,804	-
Total	<u>\$133,936,954</u>	<u>\$ 10,618,425</u>	<u>\$ 4,012,575</u>	<u>\$140,542,804</u>	<u>\$ -</u>

	Balance December 31, 2022	Additions	Payments	Balance December 31, 2023	Due Within One Year
General Obligation					
Bonds Series 1989B	\$ 23,830,000	\$ -	\$ -	\$ 23,830,000	\$ -
Accrued interest	116,712,804	11,158,001 (b)	3,840,741	124,030,064	-
Total	<u>\$140,542,804</u>	<u>\$ 11,158,001</u>	<u>\$ 3,840,741</u>	<u>\$147,860,064</u>	<u>\$ -</u>

(a) Estimated for the year ending December 31, 2022

(b) Estimated for the year ending December 31, 2023

**Leases**

The District currently has no operating or capital leases, nor does it anticipate any for fiscal year 2023.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 4, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

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

## CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of DOUGLAS COUNTY, Colorado.

On behalf of the MEADOWS METROPOLITAN DISTRICT NO. 2,  
(taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS  
(governing body)<sup>B</sup>

of the MEADOWS METROPOLITAN DISTRICT NO. 2  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 40,075,690 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 40,075,690 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/08/2022 for budget/fiscal year 2023.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< _____ > mills	\$ < _____ >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> mills	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> \$
3. General Obligation Bonds and Interest <sup>J</sup>	35.000 mills	\$ 1,402,649
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	<b>35.000</b> mills	<b>\$1,402,649</b>

Contact person: Seef Le Roux Daytime phone: ( 719 ) 635-0330

Signed:  Title: Accountant for the District

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |    |                   |  |
|----|-------------------|--|
| 1. | Purpose of Issue: | <u>Capital Infrastructure Improvements</u> |
|    | Series:           | <u>1989 A,B,C</u>                          |
|    | Date of Issue:    | <u>September 1, 1989</u>                   |
|    | Coupon Rate:      | <u>7.999%</u>                              |
|    | Maturity Date:    | <u>6/1/2029</u>                            |
|    | Levy:             | <u>35.000</u>                              |
|    | Revenue:          | <u>\$1,402,649</u>                         |
|    |                   |  |
| 2. | Purpose of Issue: | _____                                      |
|    | Series:           | _____                                      |
|    | Date of Issue:    | _____                                      |
|    | Coupon Rate:      | _____                                      |
|    | Maturity Date:    | _____                                      |
|    | Levy:             | _____                                      |
|    | Revenue:          | _____                                      |

**CONTRACTS<sup>K</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.



**MEADOWS METROPOLITAN DISTRICT NO. 3**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**MEADOWS METROPOLITAN DISTRICT NO. 3  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 26,247	\$ 30,071	\$ 50,871
REVENUE			
Property taxes	1,136,664	1,272,730	1,301,327
Specific ownership taxes	109,619	110,596	117,119
Conservation Trust entitlement	3,814	20,500	15,000
Interest income	165	500	400
Other revenue	-	-	11,552
Total revenue	<u>1,250,262</u>	<u>1,404,326</u>	<u>1,445,398</u>
Total funds available	<u>1,276,509</u>	<u>1,434,397</u>	<u>1,496,269</u>
EXPENDITURES			
General Fund	1,246,438	1,383,526	1,429,998
Capital Projects Fund	-	-	66,271
Total expenditures	<u>1,246,438</u>	<u>1,383,526</u>	<u>1,496,269</u>
Total expenditures and transfers out requiring appropriation	<u>1,246,438</u>	<u>1,383,526</u>	<u>1,496,269</u>
ENDING FUND BALANCES	<u>\$ 30,071</u>	<u>\$ 50,871</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential	\$ 29,233,050	\$ 32,759,720	\$ 34,327,610
Commercial	155,120	133,510	112,590
State assessed	85,000	96,800	85,400
Vacant land	3,003,130	3,373,630	2,655,140
Other	40	40	40
Certified Assessed Value	<u>\$ 32,476,340</u>	<u>\$ 36,363,700</u>	<u>\$ 37,180,780</u>
 <b>MILL LEVY</b>			
Debt Service	35.000	35.000	35.000
Total mill levy	<u>35.000</u>	<u>35.000</u>	<u>35.000</u>
 <b>PROPERTY TAXES</b>			
Debt Service	\$ 1,136,672	\$ 1,272,730	\$ 1,301,327
Levied property taxes	<u>1,136,672</u>	<u>1,272,730</u>	<u>1,301,327</u>
Adjustments to actual/rounding	(8)	-	-
Budgeted property taxes	<u>\$ 1,136,664</u>	<u>\$ 1,272,730</u>	<u>\$ 1,301,327</u>
 <b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 1,136,664</u>	<u>\$ 1,272,730</u>	<u>\$ 1,301,327</u>
	<u>\$ 1,136,664</u>	<u>\$ 1,272,730</u>	<u>\$ 1,301,327</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	1,136,664	1,272,730	1,301,327
Specific ownership taxes	109,619	110,596	117,119
Interest income	155	200	-
Other revenue	-	-	11,552
Total revenue	<u>1,246,438</u>	<u>1,383,526</u>	<u>1,429,998</u>
Total funds available	<u>1,246,438</u>	<u>1,383,526</u>	<u>1,429,998</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	17,052	19,091	19,520
Contingency	-	-	11,552
IGA expenditure - District No. 4	1,229,386	1,364,435	1,398,926
Total expenditures	<u>1,246,438</u>	<u>1,383,526</u>	<u>1,429,998</u>
Total expenditures and transfers out requiring appropriation	<u>1,246,438</u>	<u>1,383,526</u>	<u>1,429,998</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 26,247	\$ 30,071	\$ 50,871
REVENUE			
Conservation Trust entitlement	3,814	20,500	15,000
Interest income	10	300	400
Total revenue	<u>3,824</u>	<u>20,800</u>	<u>15,400</u>
Total funds available	<u>30,071</u>	<u>50,871</u>	<u>66,271</u>
EXPENDITURES			
Capital Projects			
Parks and recreation	-	-	66,271
Total expenditures	<u>-</u>	<u>-</u>	<u>66,271</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>66,271</u>
ENDING FUND BALANCE	<u>\$ 30,071</u>	<u>\$ 50,871</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Meadows Metropolitan District No. 3 (District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows project (Project). The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by the District, the Town may require that the District initiate dissolution procedures.

The District provides no services directly at this time, but is a participant in an intergovernmental agreement ("District Agreement") between Meadows Metropolitan District Nos. 1 through No. 7 (inclusive, "the Project"), in which District No. 4 acts as the "Master District" for the Project. The District Agreement provides for the sharing of the Project costs including administrative services and debt service among the individual Districts of the Project. Most services, primarily consisting of landscape maintenance, are provided under the District Agreement by the Master District. All other services under the District's powers are provided by the Town of Castle Rock under a separate intergovernmental agreement.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The District has no employees and all administrative functions are contracted

**Revenues**

The Master District receives the revenue for the Project, including facility development fees, interest on invested funds and other revenue ("Project Revenue") and collects property taxes and interest on behalf of District Nos. 2 through No. 7.

**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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

The District is required to impose a maximum Required Mill Levy of 35.000 mills for collection in 2023. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on prior year's interest earnings.

**Expenditures**

**Administrative and Operations Expenditures**

Administrative and operations expenditures of the Project, except as later noted, are paid through the Master District under the District Agreement. The contractual obligation represents a portion of the District's share of the administrative expenditures (priority expenditures) of the Project which have been allocated to all Districts of the Project based on their relative assessed valuations.

Operating expenditures to be incurred by the District are estimated based upon the prior years' experience.

**MEADOWS METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Debt Service**

On December 29, 1993, the Series 1989A, 1989B and 1989C, General Obligation Bonds were restructured. The restructured bonds are characterized as General Obligation Bonds with a "capped mill levy." Interest of 7.999% is payable to the bondholder quarterly on March 1, June 1, September 1, and December 1 of each year. Unpaid current interest becomes accrued interest. Accrued interest compounds annually on December 1 of each year. The Project's required payment on the bonds is limited to the proceeds generated from the limited mill levy and Project Revenue less priority expenses. Priority expenses of the project include the following: costs of revenue collection, operations and maintenance expenses in an amount not to exceed \$200,000 as adjusted for inflation, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$124,000 in 2023 as adjusted for inflation) is designated to be spent by District No. 1 for the District's administration. The remainder (\$338,000 in 2023 as adjusted for inflation) is to be spent by the Master District for the Project.

The limited mill levy is to be levied (for collection in the year following the levy year) as follows:

<u>Collection Year</u>	<u>Mill Levy</u>
2003 and thereafter	35.000 mills

To the extent that District Nos. 1, 2, 3, 4, 5, 6, or 7 property tax revenue or other revenue exceed their allocated share of priority expenses, such excess is to be applied to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued by District Nos. 1, 2, and 7. Project Revenue, to the extent that it is not required to fund priority expenses and certain capital expenditures of the Project, is allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as excess revenue of the other Districts.

Interest on the Bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenue and cannot be predicted with certainty. The Master District has been designated to coordinate debt service payments of the Project.

**Leases**

The District currently has no operating or capital leases, nor does it anticipate any for fiscal year 2023.



**MEADOWS METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 4, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

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

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of DOUGLAS COUNTY, Colorado.

On behalf of the MEADOWS METROPOLITAN DISTRICT NO. 3,  
(taxing entity)<sup>A</sup>

the BOARD of DIRECTORS  
(governing body)<sup>B</sup>

of the MEADOWS METROPOLITAN DISTRICT NO. 3  
(local government)<sup>C</sup>


**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 37,180,780 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 37,180,780 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/08/2022 for budget/fiscal year 2023.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

<b>PURPOSE</b> (see end notes for definitions and examples)	<b>LEVY<sup>2</sup></b>	<b>REVENUE<sup>2</sup></b>
1. General Operating Expenses <sup>H</sup>	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< _____ > mills	\$ < _____ >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> mills	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> \$
3. General Obligation Bonds and Interest <sup>J</sup>	35.000 mills	\$ 1,301,327
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	<b>35.000</b> mills	<b>\$1,301,327</b>

Contact person: Seef Le Roux Daytime phone: ( 719 ) 635-0330  
(print)

Signed:  Title: Accountant for the District

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |    |                   |  |
|----|-------------------|--|
| 1. | Purpose of Issue: | <u>Capital Infrastructure Improvements</u> |
|    | Series:           | <u>1989 A,B,C</u>                          |
|    | Date of Issue:    | <u>September 1, 1989</u>                   |
|    | Coupon Rate:      | <u>7.999%</u>                              |
|    | Maturity Date:    | <u>6/1/2029</u>                            |
|    | Levy:             | <u>35.000</u>                              |
|    | Revenue:          | <u>\$1,301,327</u>                         |
|    |                   |  |
| 2. | Purpose of Issue: | _____                                      |
|    | Series:           | _____                                      |
|    | Date of Issue:    | _____                                      |
|    | Coupon Rate:      | _____                                      |
|    | Maturity Date:    | _____                                      |
|    | Levy:             | _____                                      |
|    | Revenue:          | _____                                      |

**CONTRACTS<sup>K</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**RESOLUTION**  
**TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,**  
**AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY**  
**MEADOWS METROPOLITAN DISTRICT NO. 4**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MEADOWS METROPOLITAN DISTRICT NO. 4, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Meadows Metropolitan District No. 4 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 9, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ -0-; and

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

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 76.00; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ -0-; and

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

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$ 2,180.00; and

WHEREAS, at an election held on July 11, 1985, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MEADOWS METROPOLITAN DISTRICT NO. 4 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Meadows Metropolitan District No. 4 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 35.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 35.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the

following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

*[remainder of page intentionally left blank; signature page follows]*

ADOPTED this 9<sup>th</sup> day of November, 2022.

MEADOWS METROPOLITAN DISTRICT  
NO. 4

*Stephanie McCandless*

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Stephanie L. McCandless, President

ATTEST:

*Logan Jones*

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Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January \_\_\_, 2023

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

Attached are the 2023 budget and budget message for MEADOWS METROPOLITAN DISTRICT NO. 4 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 9, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen, LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Carrie Bartow [Carrie.Bartow@clacconnect.com](mailto:Carrie.Bartow@clacconnect.com)  
Seef Le Roux [Seef.LeRoux@clacconnect.com](mailto:Seef.LeRoux@clacconnect.com)  
Jennifer VanValen [Jennifer.VanValen@clacconnect.com](mailto:Jennifer.VanValen@clacconnect.com)  
Tele: 303-779-5710

I, Stephanie L. McCandless, as President of the Meadows Metropolitan District No. 4, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: *Stephanie McCandless*  
Stephanie L. McCandless, President



ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

**MEADOWS METROPOLITAN DISTRICT NO. 4**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**MEADOWS METROPOLITAN DISTRICT NO. 4  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 380,202	\$ 357,946	\$ 457,892
REVENUE			
Property taxes	196,148	196,450	190,903
Specific ownership taxes	18,921	17,072	17,181
Conservation Trust entitlement	36	3,100	2,000
System development fee	1,093,566	1,170,343	1,127,971
Street oversizing fees	45,000	65,000	12,600
Cost reimbursements - Landscaping	23,607	21,490	27,720
IGA revenue - District #1	1,963,745	2,068,752	2,000,052
IGA revenue - District #2	1,468,917	1,547,823	1,508,847
IGA revenue - District #3	1,229,386	1,364,435	1,398,926
IGA revenue - District #5	1,165,323	1,260,442	1,387,409
IGA revenue - District #6	2,240,287	2,600,616	2,608,723
IGA revenue - District #7	1,723,905	1,847,206	1,845,523
Interest income	123	2,540	6,160
Other revenue	18,157	-	3,816
Total revenue	<u>11,187,121</u>	<u>12,165,269</u>	<u>12,137,831</u>
TRANSFERS IN	<u>212,169</u>	<u>210,615</u>	<u>205,380</u>
Total funds available	<u>11,779,492</u>	<u>12,733,830</u>	<u>12,801,103</u>
EXPENDITURES			
General Fund	2,943	2,947	6,680
Capital Projects Fund	750	750	58,892
Special Revenue Fund	11,205,684	12,061,626	12,096,940
Total expenditures	<u>11,209,377</u>	<u>12,065,323</u>	<u>12,162,512</u>
TRANSFERS OUT	<u>212,169</u>	<u>210,615</u>	<u>205,380</u>
Total expenditures and transfers out requiring appropriation	<u>11,421,546</u>	<u>12,275,938</u>	<u>12,367,892</u>
ENDING FUND BALANCES	<u>\$ 357,946</u>	<u>\$ 457,892</u>	<u>\$ 433,211</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 4**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION - DOUGLAS</b>			
Vacant land	\$ 1,740	\$ 2,180	\$ 2,180
Certified Assessed Value	\$ 1,740	\$ 2,180	\$ 2,180
<b>MILL LEVY</b>			
Debt Service	35.000	35.000	35.000
Total mill levy	35.000	35.000	35.000
<b>PROPERTY TAXES</b>			
General	\$ 61	\$ 76	\$ 76
Budgeted property taxes	\$ 61	\$ 76	\$ 76
<b>ASSESSED VALUATION - DOUGLAS - Debt Service</b>			
Residential	5,588,150	\$ 5,597,150	\$ 5,440,660
State assessed	14,300	13,500	11,500
Vacant land	1,570	-	-
Natural resources	40	40	40
Certified Assessed Value	\$ 5,604,060	\$ 5,610,690	\$ 5,452,200
<b>MILL LEVY</b>			
Debt Service	35.000	35.000	35.000
Total mill levy	35.000	35.000	35.000
<b>PROPERTY TAXES</b>			
General	\$ 196,142	\$ 196,374	\$ 190,827
Levied property taxes	196,142	196,374	190,827
Adjustments to actual/rounding	6	-	-
Budgeted property taxes	\$ 196,148	\$ 196,374	\$ 190,827
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 196,209	\$ 196,450	\$ 190,903
	\$ 196,209	\$ 196,450	\$ 190,903

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	196,148	196,450	190,903
Specific ownership taxes	18,921	17,072	17,181
Interest income	36	20	100
Other revenue	-	-	3,816
Total revenue	<u>215,105</u>	<u>213,542</u>	<u>212,000</u>
Total funds available	<u>215,105</u>	<u>213,542</u>	<u>212,000</u>
EXPENDITURES			
General and administrative			
Contingency	-	-	3,816
County Treasurer's fee	2,943	2,947	2,864
Total expenditures	<u>2,943</u>	<u>2,947</u>	<u>6,680</u>
TRANSFERS OUT			
Transfer to Special Revenue Fund	<u>212,162</u>	<u>210,595</u>	<u>205,320</u>
Total expenditures and transfers out requiring appropriation	<u>215,105</u>	<u>213,542</u>	<u>212,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
SPECIAL REVENUE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 324,947	\$ 303,404	\$ 401,000
<b>REVENUE</b>			
System development fee	1,093,566	1,170,343	1,127,971
Street oversizing fees	45,000	65,000	12,600
Cost reimbursements - Landscaping	23,607	21,490	27,720
IGA Revenue - District #1	1,963,745	2,068,752	2,000,052
IGA Revenue - District #2	1,468,917	1,547,823	1,508,847
IGA Revenue - District #3	1,229,386	1,364,435	1,398,926
IGA Revenue - District #5	1,165,323	1,260,442	1,387,409
IGA Revenue - District #6	2,240,287	2,600,616	2,608,723
IGA Revenue - District #7	1,723,905	1,847,206	1,845,523
Interest income	79	2,500	6,000
Other revenue	18,157	-	-
Total revenue	<u>10,971,972</u>	<u>11,948,607</u>	<u>11,923,771</u>
<b>TRANSFERS IN</b>			
GENERAL FUND	212,162	210,595	205,320
CAPITAL PROJECTS FUND	7	20	60
Total funds available	<u>11,509,088</u>	<u>12,462,626</u>	<u>12,530,151</u>
<b>EXPENDITURES</b>			
General and administrative			
Accounting	54,417	65,000	115,000
Audit	22,400	37,500	40,000
Collection expense - Town	2,734	2,926	2,820
Contingency	-	-	112,330
Dues	2,024	2,536	3,000
Insurance	16,422	17,432	20,600
Legal	12,767	14,000	33,000
Miscellaneous	1,513	600	3,000
Banking fees	-	-	70
Repairs and maintenance	5,638	700	1,000
Operations and maintenance			
Landscape maintenance	303,549	241,000	331,000
Landscape maintenance - MCA	72,392	66,000	65,000
Utilities - IREA	4,720	6,000	10,000
Utilities - Water	40,285	17,000	50,000
Debt Service			
Debt Service - District No. 1	4,686,802	5,093,410	4,969,853
Debt Service - District No. 2	3,621,620	3,935,817	3,840,341
Debt Service - District No. 7	2,343,401	2,546,705	2,484,926
Paying agent fees	15,000	15,000	15,000
Total expenditures	<u>11,205,684</u>	<u>12,061,626</u>	<u>12,096,940</u>
Total expenditures and transfers out requiring appropriation	<u>11,205,684</u>	<u>12,061,626</u>	<u>12,096,940</u>
ENDING FUND BALANCE	<u>\$ 303,404</u>	<u>\$ 401,000</u>	<u>\$ 433,211</u>
EMERGENCY RESERVE	<u>\$ 14,000</u>	<u>\$ 15,000</u>	<u>\$ 24,000</u>
TOTAL RESERVE	<u>\$ 14,000</u>	<u>\$ 15,000</u>	<u>\$ 24,000</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 55,255	\$ 54,542	\$ 56,892
REVENUE			
Conservation Trust entitlement	36	3,100	2,000
Interest income	8	20	60
Total revenue	<u>44</u>	<u>3,120</u>	<u>2,060</u>
Total funds available	<u>55,299</u>	<u>57,662</u>	<u>58,952</u>
EXPENDITURES			
Capital Projects			
Constructions - parks and recreation	-	-	58,142
Paying agent fees	750	750	750
Total expenditures	<u>750</u>	<u>750</u>	<u>58,892</u>
TRANSFERS OUT			
Transfer to Special Revenue Fund	<u>7</u>	<u>20</u>	<u>60</u>
Total expenditures and transfers out requiring appropriation	<u>757</u>	<u>770</u>	<u>58,952</u>
ENDING FUND BALANCE	<u>\$ 54,542</u>	<u>\$ 56,892</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 4**  
**DETAILED SCHEDULE OF OPERATIONS AND MAINTENANCE**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/22/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
Accounting	54,417	65,000	115,000
Audit	22,400	37,500	40,000
Contingency	-	-	112,330
Dues	2,024	2,536	3,000
Insurance	16,422	17,432	20,600
Legal	12,767	14,000	33,000
Miscellaneous	1,513	1,300	4,070
Utilities - IREA only	4,720	6,000	10,000
Total Operations and Maint. Costs	<u>\$ 114,263</u>	<u>\$ 143,768</u>	<u>\$ 338,000</u>
Calculation of Operating & Maintenance	\$ 296,200	\$ 301,800	313,000
Cap Adjusted for Inflation	<u>101.900%</u>	<u>103.700%</u>	<u>108.000%</u>
Rounded to nearest \$100	<u>\$ 301,800</u>	<u>\$ 313,000</u>	<u>\$ 338,000</u>

No assurance provided. See summary of significant assumptions.



**MEADOWS METROPOLITAN DISTRICT NO. 4  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Meadows Metropolitan District No. 4 (District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by the District, the Town may require that the District initiate dissolution procedures.

The District functions as the Master District as defined in an intergovernmental agreement ("District Agreement") between Meadows Metropolitan District Nos. 1 through 7 (inclusive, "the Project"). The District Agreement provides for the sharing of the Project costs including administrative services and debt service among the individual Districts of the Project. Most services, primarily consisting of landscape maintenance, are provided under the District Agreement by the District. All other services under the District's powers are provided by the Town of Castle Rock under a separate intergovernmental agreement.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The District has no employees and all administrative functions are contracted.

**Revenues**

**Intergovernmental (IGA) Revenues**

The District pays certain administrative and operations expenditures of the Project pursuant to the District Agreement. These expenditures are allocated to District Nos. 1 – 3 and 5 – 7 based on their relative assessed valuations. The District receives reimbursement for these expenditures from District Nos. 1 – 3 and 5 – 7 in the form of an inter-district transfer.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**System Development Fees and Street Over-sizing Fees**

The District receives the revenue for the Project including street over-sizing fees (SOF) and system development fees (SDF), which are based on rates that vary depending on each tap's single family equivalent (SFE). The budget anticipates the collection of these fees in the following manner:

**Meadows Metropolitan Districts  
SDF & SOF Projection  
For the year 2023**

	<u>Units</u>	<u>SFE</u>	<u>SDF per unit</u>	<u>Total</u>	<u>SOF per unit</u>	<u>Total</u>
<b>Residential</b>						
	0	0.67	\$ 6,506.24	\$ -	\$ 300.00	\$ -
	30	1.00	\$ 9,711.63	291,348.90	\$ 300.00	9,000.00
	0	1.67	\$ 16,167.95	-	\$ 300.00	-
	<u>30</u>			<u>291,348.90</u>		<u>9,000.00</u>
<b>Irrigation</b>						
	6	1.00	\$ 6,506.24	39,037.44	N/A	-
	3	3.33	\$ 9,711.63	29,134.89	N/A	-
<b>Commercial</b>						
	1	1.00	\$ 9,711.63	9,711.63	\$ 300.00	300.00
	7	1.67	\$ 16,167.95	113,175.64	\$ 300.00	2,100.00
	0	3.33	\$ 32,239.58	-	\$ 300.00	-
	4	16.67	\$ 161,390.63	645,562.53	\$ 300.00	1,200.00
				<u>\$ 1,127,971.03</u>		<u>\$ 12,600.00</u>

**Cost Reimbursements - HOA**

The Meadows Community Association contributes to the District an amount equivalent to 7% of the total cost of streetscape maintenance.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District is required to impose a maximum Required Mill Levy of 35.000 mills for collection in 2023. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up and deficiencies in the Reserve Fund].

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected by the General Fund.

**Interest Income**

Interest earned on the District's available funds has been estimated based on prior year's interest earnings.

**Expenditures**

**Administrative and Operations Expenditures**

Administrative and operations expenditures of the Project, except as later noted, are paid by the District under the District Agreement. These expenditures have been allocated to all Districts of the Project based on their relative assessed valuations. Administrative, operating and streetscape maintenance costs are estimated based on prior year's experience.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

**Debt Service**

On December 29, 1993, the Series 1989A, 1989B and 1989C, General Obligation Bonds were restructured. The restructured bonds are characterized as General Obligation Bonds with a "capped mill levy". Interest of 7.999% is payable to the bondholder quarterly on March 1, June 1, September 1 and December 1 of each year. Unpaid current interest becomes accrued interest. Accrued interest compounds annually on December 1 of each year. The Project's required payment on the bonds is limited to the proceeds generated from the limited mill levy and Project Revenue less priority expenses. Priority expenses of the project include the following: costs of revenue collection, operations and maintenance expenses in an amount not to exceed \$200,000 as adjusted for inflation, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$124,000 in 2023 as adjusted for inflation) is designated to be spent by District No. 1 for the District's administration. The remainder (\$338,000 in 2023 as adjusted for inflation) is to be spent by the Master District for the Project. The limited mill levy is to be levied (for collection in the year following the levy year) as follows:

<u>Collection Year</u>	<u>Mill Levy</u>
2003 and thereafter	35.000 mills

To the extent that District Nos. 1, 2, 3, 4, 5, 6, or 7 property tax revenue or other revenue exceed their allocated share of priority expenses, such excess is to be applied to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued by District Nos. 1, 2, and 7. Project Revenue, to the extent that it is not required to fund priority expenses and certain capital expenditures of the Project, is allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as excess revenue of the other Districts.

Interest on the Bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenue and cannot be predicted with certainty.

The District has been designated to coordinate debt service payments of the Project.

**Leases**

The District currently has no operating or capital leases nor does it anticipate any for fiscal year 2023.

**MEADOWS METROPOLITAN DISTRICT NO. 4  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

The District has provided an Emergency Reserve equal to at least 3% of fiscal year spending of Districts Nos. 2, 3, 4, 5, 6, and 7, as defined under TABOR, which is part of the District's Special Revenue Fund ending fund balance.

**General Reserve**

The District has also provided a reserve for contingencies and contractual obligations as defined in the Regional Facilities Cost Sharing Agreement ("General Reserve"). The general reserve is included as part of the District's Special Revenue Fund balance.

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

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of DOUGLAS COUNTY, Colorado.

On behalf of the MEADOWS METROPOLITAN DISTRICT NO. 4,  
(taxing entity)<sup>A</sup>

the BOARD of DIRECTORS  
(governing body)<sup>B</sup>

of the MEADOWS METROPOLITAN DISTRICT NO. 4  
(local government)<sup>C</sup>


**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,180 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 2,180 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/08/2022 for budget/fiscal year 2023.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< _____ > mills	\$ < _____ >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div> mills	<div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div> \$
3. General Obligation Bonds and Interest <sup>J</sup>	35.000 mills	\$ 76
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	<b>35.000</b> mills	<b>\$ 76</b>

Contact person: Seef Le Roux Daytime phone: ( 719 ) 635-0330

Signed:  Title: Accountant for the District

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |    |                   |  |
|----|-------------------|--|
| 1. | Purpose of Issue: | <u>Capital Infrastructure Improvements</u> |
|    | Series:           | <u>1989 A,B,C</u>                          |
|    | Date of Issue:    | <u>September 1, 1989</u>                   |
|    | Coupon Rate:      | <u>7.999%</u>                              |
|    | Maturity Date:    | <u>June 1, 2029</u>                        |
|    | Levy:             | <u>35.000</u>                              |
|    | Revenue:          | <u>\$76</u>                                |
|    |                   |  |
| 2. | Purpose of Issue: | _____                                      |
|    | Series:           | _____                                      |
|    | Date of Issue:    | _____                                      |
|    | Coupon Rate:      | _____                                      |
|    | Maturity Date:    | _____                                      |
|    | Levy:             | _____                                      |
|    | Revenue:          | _____                                      |

**CONTRACTS<sup>K</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**RESOLUTION  
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
MEADOWS METROPOLITAN DISTRICT NO. 5**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MEADOWS METROPOLITAN DISTRICT NO. 5, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Meadows Metropolitan District No. 5 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 9, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ -0-; and

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

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 1,290,613; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ -0-; and



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

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$ 36,874,670; and

WHEREAS, at an election held on July 11, 1985, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MEADOWS METROPOLITAN DISTRICT NO. 5 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Meadows Metropolitan District No. 5 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 35.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the

following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

*[remainder of page intentionally left blank; signature page follows]*

ADOPTED this 9<sup>th</sup> day of November, 2022.

MEADOWS METROPOLITAN DISTRICT  
NO. 5

*Stephanie McCandless*

---

Stephanie L. McCandless, President

ATTEST:

*Logan Jones*

---

Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

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

Attached are the 2023 budget and budget message for MEADOWS METROPOLITAN DISTRICT NO. 5 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 9, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen, LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Carrie Bartow [Carrie.Bartow@clacconnect.com](mailto:Carrie.Bartow@clacconnect.com)  
Seef Le Roux [Seef.LeRoux@clacconnect.com](mailto:Seef.LeRoux@clacconnect.com)  
Jennifer VanValen [Jennifer.VanValen@clacconnect.com](mailto:Jennifer.VanValen@clacconnect.com)  
Tele: 303-779-5710

I, Stephanie L. McCandless as President of the Meadows Metropolitan District No. 5, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: *Stephanie McCandless*  
Stephanie L. McCandless, President

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**MEADOWS METROPOLITAN DISTRICT NO. 5  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	1,073,806	1,171,760	1,290,613
Specific ownership taxes	106,643	105,458	116,155
Interest income	1,054	800	-
Other revenue	-	-	11,382
Total revenue	<u>1,181,503</u>	<u>1,278,018</u>	<u>1,418,150</u>
Total funds available	<u>1,181,503</u>	<u>1,278,018</u>	<u>1,418,150</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	16,180	17,576	19,359
Contingency	-	-	11,382
IGA expenditure - District no. 4	1,165,323	1,260,442	1,387,409
Total expenditures	<u>1,181,503</u>	<u>1,278,018</u>	<u>1,418,150</u>
Total expenditures and transfers out requiring appropriation	<u>1,181,503</u>	<u>1,278,018</u>	<u>1,418,150</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 5**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/21/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

**ASSESSED VALUATION**

Residential	\$ -	\$ 337,430	\$ 2,075,700
Commercial	26,654,870	28,812,210	30,198,580
Agricultural	7,300	7,310	6,630
State assessed	799,600	842,800	1,114,700
Vacant land	4,132,940	3,479,080	3,479,040
Natural Resources	20	20	20
Certified Assessed Value	\$ 31,594,730	\$ 33,478,850	\$ 36,874,670

**MILL LEVY**

Debt Service	35.000	35.000	35.000
Total mill levy	35.000	35.000	35.000

**PROPERTY TAXES**

Debt Service	\$ 1,105,816	\$ 1,171,760	\$ 1,290,613
Levied property taxes	1,105,816	1,171,760	1,290,613
Adjustments to actual/rounding	(31,329)	-	-
Refunds and abatements	(681)	-	-
Budgeted property taxes	\$ 1,073,806	\$ 1,171,760	\$ 1,290,613

**BUDGETED PROPERTY TAXES**

General	\$ 1,073,806	\$ 1,171,760	\$ 1,290,613
	\$ 1,073,806	\$ 1,171,760	\$ 1,290,613

No assurance provided. See summary of significant assumptions.



**MEADOWS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Meadows Metropolitan District No. 5 (District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows project (Project). The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by the District, the Town may require that the District initiate dissolution procedures.

The District provides no services directly at this time, but is a participant in an intergovernmental agreement ("District Agreement") between Meadows Metropolitan District Nos. 1 through 7 (inclusive, "the Project"), in which District No. 4 acts as the "Master District" for the Project. The District Agreement provides for the sharing of the Project costs including administrative services and debt service among the individual Districts of the Project. Most services, primarily consisting of landscape maintenance, are provided under the District Agreement by the Master District. All other services under the District's powers are provided by the Town of Castle Rock under a separate intergovernmental agreement.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The District has no employees and all administrative functions are contracted.

**Revenues**

The Master District receives the revenue for the Project, including facility development fees, interest on invested funds and other revenue ("Project Revenue") and collects property taxes and interest on behalf of District Nos. 2 through No. 7.

**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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District is required to impose a maximum Required Mill Levy of 35.000 mills for collection in 2023. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

**MEADOWS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes (continued)**

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Expenditures**

**Administrative and Operations Expenditures**

Administrative and operations expenditures of the Project, except as later noted, are paid through the Master District under the District Agreement. The contractual obligation represents a portion of the District's share of the administrative expenditures (priority expenditures) of the Project which have been allocated to all Districts of the Project based on their relative assessed valuations.

Operating expenditures to be incurred by the District are estimated based upon the prior year's experience.

**Debt Service**

On December 29, 1993, the Series 1989A, 1989B and 1989C, General Obligation Bonds were restructured. The restructured bonds are characterized as General Obligation Bonds with a "capped mill levy." Interest of 7.999% is payable to the bondholder quarterly on March 1, June 1, September 1 and December 1 of each year. Unpaid current interest becomes accrued interest. Accrued interest compounds annually on December 1 of each year. The Project's required payment on the bonds is limited to the proceeds generated from the limited mill levy and Project Revenue less priority expenses. Priority expenses of the project include the following: costs of revenue collection, operations and maintenance expenses in an amount not to exceed \$200,000 as adjusted for inflation, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$124,000 in 2023 as adjusted for inflation) is designated to be spent by District No. 1 for the District's administration. The remainder (\$338,000 in 2023 as adjusted for inflation) is to be spent by the Master District for the Project.

**MEADOWS METROPOLITAN DISTRICT NO. 5  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Debt Service (continued)**

The limited mill levy is to be levied (for collection in the year following the levy year) as follows:

<u>Collection Year</u>	<u>Mill Levy</u>
2003 and thereafter	35.000 mills

To the extent that District Nos. 1, 2, 3, 4, 5, 6, or 7 property tax revenue or other revenue exceed their allocated share of priority expenses, such excess is to be applied to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued by District Nos. 1, 2, and 7. Project Revenue, to the extent that it is not required to fund priority expenses and certain capital expenditures of the Project, is allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as excess revenue of the other Districts.

Interest on the Bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenue and cannot be predicted with certainty.

The Master District has been designated to coordinate debt service payments of the Project.

**Leases**

The District currently has no operating or capital leases, nor does it anticipate any for fiscal year 2023.

**Reserve Fund Included in Fund Balance**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 4, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

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

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of DOUGLAS COUNTY, Colorado.

On behalf of the MEADOWS METROPOLITAN DISTRICT NO. 5,  
(taxing entity)<sup>A</sup>

the BOARD of DIRECTORS  
(governing body)<sup>B</sup>

of the MEADOWS METROPOLITAN DISTRICT NO. 5  
(local government)<sup>C</sup>


**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 36,874,670 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 36,874,670 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/08/2022 for budget/fiscal year 2023.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< _____ > mills	\$ < _____ >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> mills	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> \$
3. General Obligation Bonds and Interest <sup>J</sup>	<u>35.000</u> mills	<u>\$ 1,290,613</u>
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>35.000</b> mills	<b>\$ 1,290,613</b>

Contact person: Seef Le Roux Daytime phone: ( 719 ) 635-0330

Signed:  Title: Accountant for the District

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1.	Purpose of Issue:	Capital Infrastructure Improvements
	Series:	1989 A,B,C
	Date of Issue:	September 1, 1989
	Coupon Rate:	7.999%
	Maturity Date:	June 1, 2029
	Levy:	35.000
	Revenue:	\$1,290,613

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

**CONTRACTS<sup>K</sup>:**

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

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

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**RESOLUTION**  
**TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,**  
**AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY**  
**MEADOWS METROPOLITAN DISTRICT NO. 6**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MEADOWS METROPOLITAN DISTRICT NO. 6, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Meadows Metropolitan District No.6 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 9, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ -0-; and

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

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 2,425,789; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ -0-; and

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

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$ 69,308,270; and

WHEREAS, at an election held on July 11, 1985, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MEADOWS METROPOLITAN DISTRICT NO. 6 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Meadows Metropolitan District No. 6 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 35.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

*[remainder of page intentionally left blank; signature page follows]*



ADOPTED this 9<sup>th</sup> day of November, 2022.

MEADOWS METROPOLITAN DISTRICT  
NO. 6

*Stephanie McCandless*

---

Stephanie L. McCandless, President

ATTEST:

*Logan Jones*

---

Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

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

Attached are the 2023 budget and budget message for MEADOWS METROPOLITAN DISTRICT NO. 6 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 9, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen, LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Carrie Bartow [Carrie.Bartow@clacconnect.com](mailto:Carrie.Bartow@clacconnect.com)  
Seef Le Roux [Seef.LeRoux@clacconnect.com](mailto:Seef.LeRoux@clacconnect.com)  
Jennifer VanValen [Jennifer.VanValen@clacconnect.com](mailto:Jennifer.VanValen@clacconnect.com)  
Tele: 303-779-5710

I, Stephanie L. McCandless, as President of the Meadows Metropolitan District No. 6, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: *Stephanie McCandless*  
Stephanie L. McCandless, President

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

**MEADOWS METROPOLITAN DISTRICT NO. 6**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**MEADOWS METROPOLITAN DISTRICT NO. 6  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 59,884	\$ 67,806	\$ 91,876
REVENUE			
Property taxes	2,070,758	2,418,084	2,425,789
Specific ownership taxes	200,109	218,558	218,321
Conservation Trust entitlement	7,901	24,000	10,000
Interest income	516	470	1,300
Other revenue	-	-	24,890
Total revenue	<u>2,279,284</u>	<u>2,661,112</u>	<u>2,680,300</u>
Total funds available	<u>2,339,168</u>	<u>2,728,918</u>	<u>2,772,176</u>
EXPENDITURES			
General Fund	2,271,362	2,637,042	2,670,000
Capital Projects Fund	-	-	102,176
Total expenditures	<u>2,271,362</u>	<u>2,637,042</u>	<u>2,772,176</u>
Total expenditures and transfers out requiring appropriation	<u>2,271,362</u>	<u>2,637,042</u>	<u>2,772,176</u>
ENDING FUND BALANCES	<u>\$ 67,806</u>	<u>\$ 91,876</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential	\$ 52,133,660	\$ 63,892,290	\$ 64,046,410
Commercial	2,317,230	3,446,750	4,584,140
State assessed	229,100	244,100	216,400
Vacant land	4,605,540	1,800,260	461,260
Natural resources	60	60	60
Certified Assessed Value	<u>\$ 59,285,590</u>	<u>\$ 69,383,460</u>	<u>\$ 69,308,270</u>
<b>MILL LEVY</b>			
Debt Service	35.000	35.000	35.000
Total mill levy	<u>35.000</u>	<u>35.000</u>	<u>35.000</u>
<b>PROPERTY TAXES</b>			
Debt Service	\$ 2,074,996	\$ 2,428,421	\$ 2,425,789
Levied property taxes	2,074,996	2,428,421	2,425,789
Adjustments to actual/rounding	(4,238)	-	-
Refunds and abatements	-	(10,337)	-
Budgeted property taxes	<u>\$ 2,070,758</u>	<u>\$ 2,418,084</u>	<u>\$ 2,425,789</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 2,070,758</u>	<u>\$ 2,418,084</u>	<u>\$ 2,425,789</u>
	<u>\$ 2,070,758</u>	<u>\$ 2,418,084</u>	<u>\$ 2,425,789</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	2,070,758	2,418,084	2,425,789
Specific ownership taxes	200,109	218,558	218,321
Interest income	495	400	1,000
Other revenue	-	-	24,890
Total revenue	<u>2,271,362</u>	<u>2,637,042</u>	<u>2,670,000</u>
Total funds available	<u>2,271,362</u>	<u>2,637,042</u>	<u>2,670,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	31,075	36,426	36,387
Contingency	-	-	24,890
Operations and maintenance			
IGA expenditure - District No. 4	2,240,287	2,600,616	2,608,723
Total expenditures	<u>2,271,362</u>	<u>2,637,042</u>	<u>2,670,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,271,362</u>	<u>2,637,042</u>	<u>2,670,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/21/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 59,884	\$ 67,806	\$ 91,876
REVENUE			
Conservation trust entitlement	7,901	24,000	10,000
Interest income	21	70	300
Total revenue	<u>7,922</u>	<u>24,070</u>	<u>10,300</u>
Total funds available	<u>67,806</u>	<u>91,876</u>	<u>102,176</u>
EXPENDITURES			
Capital Projects			
Parks and recreation	-	-	102,176
Total expenditures	<u>-</u>	<u>-</u>	<u>102,176</u>
ENDING FUND BALANCE	<u>\$ 67,806</u>	<u>\$ 91,876</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.



**MEADOWS METROPOLITAN DISTRICT NO. 6  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Meadows Metropolitan District No. 6 (District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows project (Project). The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by the District, the Town may require that the District initiate dissolution procedures.

The District provides no services directly at this time, but is a participant in an intergovernmental agreement ("District Agreement") between Meadows Metropolitan District Nos. 1 through 7 (inclusive, "the Project"), in which District No. 4 acts as the "Master District" for the Project. The District Agreement provides for the sharing of the Project costs including administrative services and debt service among the individual Districts of the Project. Most services, primarily consisting of landscape maintenance, are provided under the District Agreement by the Master District. All other services under the District's powers are provided by the Town of Castle Rock under a separate intergovernmental agreement.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The District has no employees and all administrative functions are contracted.

**Revenues**

The Master District receives the revenue for the Project, including facility development fees, interest on invested funds and other revenue ("Project Revenue") and collects property taxes and interest on behalf of District Nos. 2 through No. 7.

**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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes (continued)**

The District is required to impose a maximum Required Mill Levy of 35.000 mills for collection in 2023. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on prior year's interest earnings.

**Expenditures**

**Administrative and Operations Expenditures**

Administrative and operations expenditures of the Project, except as later noted, are paid through the Master District under the District Agreement. The contractual obligation represents a portion of the District's share of the administrative expenditures (priority expenditures) of the Project which have been allocated to all Districts of the Project based on their relative assessed valuations.

Operating expenditures to be incurred by the District are estimated based upon the prior year's experience.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Debt Service**

On December 29, 1993, the Series 1989A, 1989B and 1989C, General Obligation Bonds were restructured. The restructured bonds are characterized as General Obligation Bonds with a "capped mill levy". Interest of 7.999% is payable to the bondholder quarterly on March 1, June 1, September 1 and December 1 of each year. Unpaid current interest becomes accrued interest. Accrued interest compounds annually on December 1 of each year. The Project's required payment on the bonds is limited to the proceeds generated from the limited mill levy and Project Revenue less priority expenses. Priority expenses of the project include the following: costs of revenue collection, operations and maintenance expenses in an amount not to exceed \$200,000 as adjusted for inflation, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$124,000 in 2023 as adjusted for inflation) is designated to be spent by District No. 1 for the District's administration. The remainder (\$338,000 in 2023 as adjusted for inflation) is to be spent by the Master District for the Project.

The limited mill levy is to be levied (for collection in the year following the levy year) as follows:

<u>Collection Year</u>	<u>Mill Levy</u>
2003 and thereafter	35.000 mills

To the extent that District Nos. 1, 2, 3, 4, 5, 6, or 7 property tax revenue or other revenue exceed their allocated share of priority expenses, such excess is to be applied to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued by District Nos. 1, 2, and 7. Project Revenue, to the extent that it is not required to fund priority expenses and certain capital expenditures of the Project, is allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as excess revenue of the other Districts.

Interest on the Bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenue and cannot be predicted with certainty.

The Master District has been designated to coordinate debt service payments of the Project.

**Leases**

The District currently has no operating or capital leases, nor does it anticipate any for fiscal year 2023.

**MEADOWS METROPOLITAN DISTRICT NO. 6  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserve Fund Included in Fund Balance**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 4, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

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

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of DOUGLAS COUNTY, Colorado.

On behalf of the MEADOWS METROPOLITAN DISTRICT NO. 6,  
(taxing entity)<sup>A</sup>

the BOARD of DIRECTORS  
(governing body)<sup>B</sup>

of the MEADOWS METROPOLITAN DISTRICT NO. 6  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 69,308,270 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 69,308,270 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/08/2022 for budget/fiscal year 2023.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< _____ > mills	\$ < _____ >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> mills	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> \$
3. General Obligation Bonds and Interest <sup>J</sup>	35.000 mills	\$2,425,789
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	<b>35.000</b> mills	<b>\$2,425,789</b>

Contact person: Seef Le Roux Daytime phone: ( 719 ) 635-0330

Signed:  Title: Accountant for the District

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |    |                   |  |
|----|-------------------|--|
| 1. | Purpose of Issue: | <u>Capital Infrastructure Improvements</u> |
|    | Series:           | <u>1989 A,B,C</u>                          |
|    | Date of Issue:    | <u>September 1, 1989</u>                   |
|    | Coupon Rate:      | <u>7.999%</u>                              |
|    | Maturity Date:    | <u>June 1, 2029</u>                        |
|    | Levy:             | <u>35.000</u>                              |
|    | Revenue:          | <u>\$2,425,789</u>                         |
|    |                   |  |
| 2. | Purpose of Issue: | _____                                      |
|    | Series:           | _____                                      |
|    | Date of Issue:    | _____                                      |
|    | Coupon Rate:      | _____                                      |
|    | Maturity Date:    | _____                                      |
|    | Levy:             | _____                                      |
|    | Revenue:          | _____                                      |

**CONTRACTS<sup>K</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**RESOLUTION**  
**TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,**  
**AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY**  
**MEADOWS METROPOLITAN DISTRICT NO. 7**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MEADOWS METROPOLITAN DISTRICT NO. 7, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Meadows Metropolitan District No. 7 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 9, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ -0-; and

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

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 1,715,835; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ -0-; and

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

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$49,023,870; and

WHEREAS, at an election held on July 11, 1985, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MEADOWS METROPOLITAN DISTRICT NO. 7 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Meadows Metropolitan District No. 7 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 35.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the



following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

*[remainder of page intentionally left blank; signature page follows]*

ADOPTED this 9<sup>th</sup> day of November, 2022.

MEADOWS METROPOLITAN DISTRICT  
NO. 7

*Stephanie McCandless*

---

Stephanie L. McCandless, President

ATTEST:

*Logan Jones*

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Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

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

Attached are the 2023 budget and budget message for MEADOWS METROPOLITAN DISTRICT NO. 7 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 9, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen, LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Carrie Bartow [Carrie.Bartow@clacconnect.com](mailto:Carrie.Bartow@clacconnect.com)  
Seef Le Roux [Seef.LeRoux@clacconnect.com](mailto:Seef.LeRoux@clacconnect.com)  
Jennifer VanValen [Jennifer.VanValen@clacconnect.com](mailto:Jennifer.VanValen@clacconnect.com)  
Tele: 303-779-5710

I, Stephanie L. McCandless, as President of the Meadows Metropolitan District No. 7, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: *Stephanie McCandless*  
Stephanie L. McCandless, President

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

**MEADOWS METROPOLITAN DISTRICT NO. 7**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**MEADOWS METROPOLITAN DISTRICT NO. 7  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 208,489	\$ 210,460	\$ 188,517
REVENUE			
Property taxes	1,593,245	1,717,774	1,715,835
Specific ownership tax	153,650	154,599	154,425
Conservation Trust entitlement	19,809	27,000	20,000
IGA revenue - District No. 4	2,343,401	2,546,705	2,484,926
Interest income	1,005	1,300	1,900
Other revenue	-	-	27,939
Total revenue	<u>4,111,110</u>	<u>4,447,378</u>	<u>4,405,025</u>
Total funds available	<u>4,319,599</u>	<u>4,657,838</u>	<u>4,593,542</u>
EXPENDITURES			
General Fund	1,747,817	1,872,973	1,884,425
Debt Service Fund	2,361,322	2,596,348	2,500,000
Capital Projects Fund	-	-	209,117
Total expenditures	<u>4,109,139</u>	<u>4,469,321</u>	<u>4,593,542</u>
Total expenditures and transfers out requiring appropriation	<u>4,109,139</u>	<u>4,469,321</u>	<u>4,593,542</u>
ENDING FUND BALANCES	<u>\$ 210,460</u>	<u>\$ 188,517</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 7**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/25/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

**ASSESSED VALUATION**

Residential	\$ 43,663,510	\$ 45,849,760	\$ 45,342,110
Commercial	144,130	79,030	115,410
Agricultural	1,690	1,760	1,600
State assessed	161,300	161,300	140,300
Natural resources	30	80	80
Vacant land	1,550,550	2,992,520	3,424,370
Certified Assessed Value	\$ 45,521,210	\$ 49,084,450	\$ 49,023,870

**MILL LEVY**

Debt Service	35.000	35.000	35.000
Total mill levy	35.000	35.000	35.000

**PROPERTY TAXES**

Debt Service	\$ 1,593,242	\$ 1,717,956	\$ 1,715,835
Levied property taxes	1,593,242	1,717,956	1,715,835
Adjustments to actual/rounding	3	-	-
Refunds and abatements	-	(182)	-
Budgeted property taxes	\$ 1,593,245	\$ 1,717,774	\$ 1,715,835

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 1,593,245</b>	<b>\$ 1,717,774</b>	<b>\$ 1,715,835</b>
	<b>\$ 1,593,245</b>	<b>\$ 1,717,774</b>	<b>\$ 1,715,835</b>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	1,593,245	1,717,774	1,715,835
Specific ownership tax	153,650	154,599	154,425
Interest income	922	600	1,000
Other revenue	-	-	13,165
Total revenue	<u>1,747,817</u>	<u>1,872,973</u>	<u>1,884,425</u>
Total funds available	<u>1,747,817</u>	<u>1,872,973</u>	<u>1,884,425</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	23,912	25,767	25,737
Contingency	-	-	13,165
IGA expenditure - District No. 4	1,723,905	1,847,206	1,845,523
Total expenditures	<u>1,747,817</u>	<u>1,872,973</u>	<u>1,884,425</u>
Total expenditures and transfers out requiring appropriation	<u>1,747,817</u>	<u>1,872,973</u>	<u>1,884,425</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.



**MEADOWS METROPOLITAN DISTRICT NO. 7  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 67,233	\$ 49,343	\$ -
REVENUE			
Other revenue	-	-	14,774
IGA revenue - District No. 4	2,343,401	2,546,705	2,484,926
Interest income	31	300	300
Total revenue	<u>2,343,432</u>	<u>2,547,005</u>	<u>2,500,000</u>
Total funds available	<u>2,410,665</u>	<u>2,596,348</u>	<u>2,500,000</u>
EXPENDITURES			
Debt Service			
Bond interest	2,361,322	2,596,348	2,485,226
Contingency	-	-	14,774
Total expenditures	<u>2,361,322</u>	<u>2,596,348</u>	<u>2,500,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,361,322</u>	<u>2,596,348</u>	<u>2,500,000</u>
ENDING FUND BALANCE	<u>\$ 49,343</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 141,256	\$ 161,117	\$ 188,517
REVENUE			
Conservation Trust entitlement	19,809	27,000	20,000
Interest income	52	400	600
Total revenue	<u>19,861</u>	<u>27,400</u>	<u>20,600</u>
Total funds available	<u>161,117</u>	<u>188,517</u>	<u>209,117</u>
EXPENDITURES			
Capital Projects			
Parks and recreation	-	-	209,117
Total expenditures	<u>-</u>	<u>-</u>	<u>209,117</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>209,117</u>
ENDING FUND BALANCE	<u>\$ 161,117</u>	<u>\$ 188,517</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Meadows Metropolitan District No. 7 (District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows project (Project). The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by the District, the Town may require that the District initiate dissolution procedures.

The District provides no services directly at this time, but is a participant in an intergovernmental agreement ("District Agreement") between Meadows Metropolitan District Nos. 1 through 7 (inclusive, "the Project"), in which District No. 4 acts as the "Master District" for the Project. The District Agreement provides for the sharing of the Project costs including administrative services and debt service among the individual Districts of the Project. Most services, primarily consisting of landscape maintenance, are provided under the District Agreement by the Master District. All other services under the District's powers are provided by the Town of Castle Rock under a separate intergovernmental agreement.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The District has no employees and all administrative functions are contracted.

**Revenues**

The Master District receives the revenue for the Project, including facility development fees, interest on invested funds and other revenue ("Project Revenue") and collects property taxes and interest on behalf of District Nos. 2 through No. 7.

**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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes (continued)**

The District is required to impose a maximum Required Mill Levy of 35.000 mills for collection in 2023. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on prior year's interest earnings.

**Expenditures**

**Administrative and Operations Expenditures**

Administrative and operations expenditures of the Project, except as later noted, are paid through the Master District under the District Agreement. The contractual obligation represents a portion of the District's share of the administrative expenditures (priority expenditures) of the Project which have been allocated to all Districts of the Project based on their relative assessed valuations.

Operating expenditures to be incurred by the District are estimated based upon the prior year's experience.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Debt Service**

On December 29, 1993, the Series 1989A, 1989B and 1989C, General Obligation Bonds were restructured. The restructured bonds are characterized as General Obligation Bonds with a "capped mill levy". Interest of 7.999% is payable to the bondholder quarterly on March 1, June 1, September 1 and December 1 of each year. Unpaid current interest becomes accrued interest. Accrued interest compounds annually on December 1 of each year. The Project's required payment on the bonds is limited to the proceeds generated from the limited mill levy and Project Revenue less priority expenses. Priority expenses of the project include the following: costs of revenue collection, operations and maintenance expenses in an amount not to exceed \$200,000 as adjusted for inflation, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$124,000 in 2023 as adjusted for inflation) is designated to be spent by District No. 1 for the District's administration. The remainder (\$338,000 in 2023 as adjusted for inflation) is to be spent by the Master District for the Project.

The limited mill levy is to be levied (for collection in the year following the levy year) as follows:

<u>Collection Year</u>	<u>Mill Levy</u>
2003 and thereafter	35.000 mills

To the extent that District Nos. 1, 2, 3, 4, 5, 6, or 7 property tax revenue or other revenue exceed their allocated share of priority expenses, such excess is to be applied to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued by District Nos. 1, 2, and 7. Project Revenue, to the extent that it is not required to fund priority expenses and certain capital expenditures of the Project, is allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as excess revenue of the other Districts.

Interest on the Bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on future revenue and cannot be predicted with certainty.

The Master District has been designated to coordinate debt service payments of the Project.

**MEADOWS METROPOLITAN DISTRICT NO. 7  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Debt Service (continued)**

	Balance December 31, 2021	Additions	Payments	Balance December 31, 2022	Due Within One Year
General Obligation					
Bonds Series 1989C	\$ 15,440,000	\$ -	\$ -	\$ 15,440,000	\$ -
Accrued interest	71,446,712	6,888,523 (a)	2,596,348	75,738,887	-
Total	<u>\$ 86,886,712</u>	<u>\$ 6,888,523</u>	<u>\$ 2,596,348</u>	<u>\$ 91,178,887</u>	<u>\$ -</u>
	Balance December 31, 2022	Additions	Payments	Balance December 31, 2023	Due Within One Year
General Obligation					
Bonds Series 1989C	\$ 15,440,000	\$ -	\$ -	\$ 15,440,000	\$ -
Accrued interest	75,738,887	7,239,082 (b)	2,485,226	80,492,743	-
Total	<u>\$ 91,178,887</u>	<u>\$ 7,239,082</u>	<u>\$ 2,485,226</u>	<u>\$ 95,932,743</u>	<u>\$ -</u>

(a) Estimated for the year ending December 31, 2022

(b) Estimated for the year ending December 31, 2023

**Leases**

The District currently has no operating or capital leases, nor does it anticipate any for fiscal year 2023.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 4, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

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

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of DOUGLAS COUNTY, Colorado.

On behalf of the MEADOWS METROPOLITAN DISTRICT NO. 7,  
(taxing entity)<sup>A</sup>

the BOARD of DIRECTORS  
(governing body)<sup>B</sup>

of the MEADOWS METROPOLITAN DISTRICT NO. 7  
(local government)<sup>C</sup>


**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 49,023,870 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 49,023,870 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/08/2022 for budget/fiscal year 2023.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< _____ > mills	\$ < _____ >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> mills	<span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> \$
3. General Obligation Bonds and Interest <sup>J</sup>	35.000 mills	\$ 1,715,835
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	<b>35.000</b> mills	<b>\$1,715,835</b>

Contact person: Seef Le Roux Daytime phone: ( 719 ) 635-0330

Signed:  Title: Accountant for the District

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |    |                   |  |
|----|-------------------|--|
| 1. | Purpose of Issue: | <u>Capital Infrastructure Improvements</u> |
|    | Series:           | <u>1989 A,B,C</u>                          |
|    | Date of Issue:    | <u>September 1, 1989</u>                   |
|    | Coupon Rate:      | <u>7.999%</u>                              |
|    | Maturity Date:    | <u>June 1, 2029</u>                        |
|    | Levy:             | <u>35.000</u>                              |
|    | Revenue:          | <u>\$1,715,835</u>                         |
|    |                   |  |
| 2. | Purpose of Issue: | _____                                      |
|    | Series:           | _____                                      |
|    | Date of Issue:    | _____                                      |
|    | Coupon Rate:      | _____                                      |
|    | Maturity Date:    | _____                                      |
|    | Levy:             | _____                                      |
|    | Revenue:          | _____                                      |

**CONTRACTS<sup>K</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.



**Exhibit C**  
Town Reimbursement Log

**MEADOWS METROPOLITAN DISTRICTS NOS. 1 - 7  
2022 DISTRICTS FACILITIES DEVELOPMENT FEE  
TOWN REIMBURSEMENT LOG**

For the Month Ending: **December-22**

SDF Cert #	Date Issued	Address Number	Street Name	Builder Name	Legal Description Filing	Parcel				Total Amount Due 2022	#4 Facilities Development Fees Received			#4 Street Oversizing Fee		#1 Collection Fee		#1 Meadows Development Fee		Total Amount Received
						Parcel	Lot	Block	Date		Water & Sewer Fee	Capital Reserve Fee	Date Reported	Amount Received	Date Reported	Amount Deducted	Date Received	Amount Received		
7682	5/27/21	1280	Gentle Rain Drive	Richmond American Homes	18	-	10	14	8,170.15	1/31/22	4,432.30	3,457.57	1/31/22	300.00	1/31/22	(19.72)	N/A Parcel in District #3	8,170.15		
7706	7/8/21	1057	Melting Snow Way	Richmond American Homes	18	-	23	10	8,170.15	1/31/22	4,432.30	3,457.57	1/31/22	300.00	1/31/22	(19.72)	N/A Parcel in District #3	8,170.15		
7738	9/20/21	434	Felicity Loop	KB Home	16	8	17	4	1,086.90	6/30/22	1,090.55	-	pd in 2021	-	6/30/22	(3.65)	N/A Parcel in District #7	1,086.90		
7739	9/20/21	428	Felicity Loop	KB Home	16	8	18	4	1,086.90	6/30/22	1,090.55	-	pd in 2021	-	6/30/22	(3.65)	N/A Parcel in District #7	1,086.90		
7740	9/20/21	410	Felicity Loop	KB Home	16	8	19	4	1,086.90	6/30/22	1,090.55	-	pd in 2021	-	6/30/22	(3.65)	N/A Parcel in District #7	1,086.90		
7743	9/29/21	499	Felicity Loop	KB Home	16	8	13	1	1,086.90	6/30/22	1,090.55	-	pd in 2021	-	6/30/22	(3.65)	N/A Parcel in District #7	1,086.90		
7749	10/15/21	2195	Bramble Street	Richmond American Homes	16	6&7	6	2	8,170.15	2/28/22	4,432.30	3,457.57	2/28/22	300.00	2/28/22	(19.72)	N/A Parcel in District #7	8,170.15		
7752	10/20/21	129	Lullaby Lane	KB Home	16	8	30	4	1,086.90	6/30/22	1,090.55	-	pd in 2021	-	6/30/22	(3.65)	N/A Parcel in District #7	1,086.90		
7753	10/21/21	181	Lullaby Lane	KB Home	16	8	25	4	1,086.90	6/30/22	1,090.55	-	pd in 2021	-	6/30/22	(3.65)	N/A Parcel in District #7	1,086.90		
7754	10/21/21	175	Lullaby Lane	KB Home	16	8	26	4	1,086.90	6/30/22	1,090.55	-	pd in 2021	-	6/30/22	(3.65)	N/A Parcel in District #7	1,086.90		
7758	11/3/21	151	Lullaby Lane	KB Home	16	8	28	4	1,086.90	6/30/22	1,090.55	-	pd in 2021	-	6/30/22	(3.65)	N/A Parcel in District #7	1,086.90		
7773	12/28/21	170	Lullaby Lane	KB Home	16	8	13	3	5,573.85	1/31/22	2,970.50	2,316.57	1/31/22	300.00	1/31/22	(13.22)	N/A Parcel in District #7	5,573.85		
7774	12/28/21	178	Lullaby Lane	KB Home	16	8	14	3	5,573.85	1/31/22	2,970.50	2,316.57	1/31/22	300.00	1/31/22	(13.22)	N/A Parcel in District #7	5,573.85		
7775	1/17/22	195	Lullaby Lane	KB Home	16	8	23	4	5,573.85	1/31/22	2,970.50	2,316.57	1/31/22	300.00	1/31/22	(13.22)	N/A Parcel in District #7	5,573.85		
7776	1/17/22	189	Lullaby Lane	KB Home	16	8	24	4	6,660.75	6/30/22	4,061.05	2,316.57	1/31/22	300.00	1/31/22	(16.87)	N/A Parcel in District #7	6,660.75		
7777	1/17/22	939	Melting Snow Way	Richmond American Homes	18	-	29	10	8,170.15	4/30/22	4,432.30	3,457.57	4/30/22	300.00	4/30/22	(19.72)	N/A Parcel in District #7	8,170.15		
7778	1/17/22	2232	Bramble Street	Richmond American Homes	16	6 & 7	11	2	8,170.15	1/31/22	4,432.30	3,457.57	1/31/22	300.00	1/31/22	(19.72)	N/A Parcel in District #7	8,170.15		
7779	1/17/22	877	Oleander Street	Richmond American Homes	16	6 & 7	34	1	8,170.15	1/31/22	4,432.30	3,457.57	1/31/22	300.00	1/31/22	(19.72)	N/A Parcel in District #7	8,170.15		
7780	1/17/22	955	Melting Snow Way	Richmond American Homes	18	-	28	10	8,170.15	4/30/22	4,432.30	3,457.57	4/30/22	300.00	4/30/22	(19.72)	N/A Parcel in District #3	8,170.15		
7781	1/17/22	2827	Morningbird Lane	Richmond American Homes	18	-	18	13	8,170.15	2/28/22	4,432.30	3,457.57	2/28/22	300.00	2/28/22	(19.72)	N/A Parcel in District #3	8,170.15		
7782	1/10/22	2695	Morningbird Lane	Richmond American Homes	18	-	23	13	8,170.15	1/31/22	4,432.30	3,457.57	1/31/22	300.00	1/31/22	(19.72)	N/A Parcel in District #3	8,170.15		
7783	1/10/22	2208	Bramble Street	Richmond American Homes	16	6 & 7	10	2	8,170.15	1/31/22	4,432.30	3,457.57	1/31/22	300.00	1/31/22	(19.72)	N/A Parcel in District #7	8,170.15		
7784	1/11/22	2233	Bramble Street	Richmond American Homes	16	6 & 7	4	2	8,170.15	1/31/22	4,432.30	3,457.57	1/31/22	300.00	1/31/22	(19.72)	N/A Parcel in District #7	8,170.15		
7785	1/11/22	90	Lullaby Lane	KB Home	16	8	7	3	6,852.88	1/31/22	4,136.90	2,432.40	1/31/22	300.00	1/31/22	(16.42)	N/A Parcel in District #7	6,852.88		
7786	1/11/22	98	Lullaby Lane	KB Home	16	8	8	3	6,852.88	1/31/22	4,136.90	2,432.40	1/31/22	300.00	1/31/22	(16.42)	N/A Parcel in District #7	6,852.88		
7787	1/12/22	865	Oleander Street	Richmond American Homes	16	6 & 7	33	1	10,096.80	1/31/22	6,190.90	3,630.45	1/31/22	300.00	1/31/22	(24.55)	N/A Parcel in District #7	10,096.80		
7788	1/12/22	2209	Bramble Street	Richmond American Homes	16	6 & 7	5	2	8,170.15	1/31/22	4,432.30	3,457.57	1/31/22	300.00	1/31/22	(19.72)	N/A Parcel in District #7	8,170.15		
7789	1/12/22	2132	Bramble Street	Richmond American Homes	16	6 & 7	8	3	8,170.15	1/31/22	4,432.30	3,457.57	1/31/22	300.00	1/31/22	(19.72)	N/A Parcel in District #7	8,170.15		
7790	1/12/22	2196	Bramble Street	Richmond American Homes	16	6 & 7	9	2	8,170.15	1/31/22	4,432.30	3,457.57	1/31/22	300.00	1/31/22	(19.72)	N/A Parcel in District #7	8,170.15		
7791	1/13/22	2359	Coachline Road - Irr	Richmond American Homes	16	6 & 7	-	Tract A	10,938.00	pd in 2021	pd in 2021	-	-	-	-	N/A Parcel in District #7	0.00			
7792	1/13/22	2355	Mercantile Street - Irr	The Garrett Companies	20	-	2A-2	2	6,103.70	pd in 2021	pd in 2021	-	-	-	-	N/A Parcel in District #6	0.00			
7793	1/26/22	888	Oleander Street	Richmond American Homes	16	6 & 7	15	1	6,109.60	1/31/22	6,190.90	3,630.45	1/31/22	300.00	1/31/22	(24.55)	N/A Parcel in District #7	10,096.80		
7794	1/27/22	68	Lullaby Lane	KB Home	16	8	5	3	6,852.88	2/28/22	4,136.90	2,432.40	2/28/22	300.00	2/28/22	(16.42)	N/A Parcel in District #7	6,852.88		
7795	1/27/22	74	Lullaby Lane	KB Home	16	8	6	3	6,852.88	2/28/22	4,136.90	2,432.40	2/28/22	300.00	2/28/22	(16.42)	N/A Parcel in District #7	6,852.88		
7796	2/9/22	138	Lullaby Lane	KB Home	16	8	11	3	6,852.88	2/28/22	4,136.90	2,432.40	2/28/22	300.00	2/28/22	(16.42)	N/A Parcel in District #7	6,852.88		
7797	2/9/22	164	Lullaby Lane	KB Home	16	8	12	3	6,852.88	2/28/22	4,136.90	2,432.40	2/28/22	300.00	2/28/22	(16.42)	N/A Parcel in District #7	6,852.88		
7798	2/9/22	1045	Oleander Street	Richmond American Homes	16	6 & 7	45	1	10,096.80	2/28/22	6,190.90	3,630.45	2/28/22	300.00	2/28/22	(24.55)	N/A Parcel in District #7	10,096.80		
7799	2/10/22	106	Lullaby Lane	KB Home	16	8	9	3	6,852.88	2/28/22	4,136.90	2,432.40	2/28/22	300.00	2/28/22	(16.42)	N/A Parcel in District #7	6,852.88		
7800	2/10/22	122	Lullaby Lane	KB Home	16	8	10	3	6,852.88	2/28/22	4,136.90	2,432.40	2/28/22	300.00	2/28/22	(16.42)	N/A Parcel in District #7	6,852.88		
7801	2/14/22	375	Felicity Loop	KB Home	16	8	1	2	6,852.88	2/28/22	4,136.90	2,432.40	2/28/22	300.00	2/28/22	(16.42)	N/A Parcel in District #7	6,852.88		
7808	3/2/22	361	Felicity Loop	KB Home	16	8	2	2	6,852.88	2/28/22	4,136.90	2,432.40	2/28/22	300.00	2/28/22	(16.42)	N/A Parcel in District #6	6,852.88		
7803	2/15/22	2747	Morningbird Lane	Richmond American Homes	18	-	21	13	10,096.80	2/28/22	6,190.90	3,630.45	2/28/22	300.00	2/28/22	(24.55)	N/A Parcel in District #3	10,096.80		
7804	2/22/22	1043	Sunlit Drive	Richmond American Homes	18	-	2	9	10,096.80	2/28/22	6,190.90	3,630.45	2/28/22	300.00	2/28/22	(24.55)	N/A Parcel in District #3	10,096.80		
7805	2/22/22	1033	Oleander Street	Richmond American Homes	16	6 & 7	44	1	10,096.80	2/28/22	6,190.90	3,630.45	2/28/22	300.00	2/28/22	(24.55)	N/A Parcel in District #7	10,096.80		
7806	3/1/22	347	Felicity Loop	KB Home	16	8	3	2	6,852.88	3/31/22	4,136.90	2,432.40	3/31/22	300.00	3/31/22	(16.42)	N/A Parcel in District #7	6,852.88		
7807	3/1/22	335	Felicity Loop	KB Home	16	8	4	2	6,852.88	3/31/22	4,136.90	2,432.40	3/31/22	300.00	3/31/22	(16.42)	N/A Parcel in District #7	6,852.88		
7808	3/2/22	1049	Sunlit Drive	Richmond American Homes	18	-	2	10	10,096.80	3/31/22	6,190.90	3,630.45	3/31/22	300.00	3/31/22	(24.55)	N/A Parcel in District #3	10,096.80		
7809	3/2/22	1374	Gentle Rain Drive	Richmond American Homes	18	-	11	13	10,096.80	3/31/22	6,190.90	3,630.45	3/31/22	300.00	3/31/22	(24.55)	N/A Parcel in District #3	10,096.80		
7810	3/2/22	186	Lullaby Lane	KB Home	16	8	15	3	6,852.88	3/31/22	4,136.90	2,432.40	3/31/22	300.00	3/31/22	(16.42)	N/A Parcel in District #7	6,852.88		
7811	3/2/22	192	Lullaby Lane	KB Home	16	8	16	3	6,852.88	3/31/22	4,136.90	2,432.40	3/31/22	300.00	3/31/22	(16.42)	N/A Parcel in District #7	6,852.88		
7812	3/2/22	287	Felicity Loop	KB Home	16	8	9	2	6,852.88	3/31/22	4,136.90	2,432.40	3/31/22	300.00	3/31/22	(16.42)	N/A Parcel in District #7	6,852.88		
7813	3/2/22	275	Felicity Loop	KB Home	16	8	10	2	6,852.88	3/31/22	4,136.90	2,432.40	3/31/22	300.00	3/31/22	(16.42)	N/A Parcel in District #7	6,852.88		
7814	3/8/22	1065	Sunlit Drive	Richmond American Homes	18	-	3	1	10,096.80	3/31/22	6,190.90	3,630.45	3/31/22	300.00	3/31/22	(24.55)	N/A Parcel in District #3	10,096.80		
7815	3/8/22	1029	Sunlit Drive	Richmond American Homes	18	-	1	9	10,096.80	4/30/22	6,190.90	3,630.45	4/30/22	300.00	4/30/22	(24.55)	N/A Parcel in District #3	10,096.80		
7816	3/18/22	1064	Sunlit Drive	Richmond American Homes	18	-	3	10	10,096.80	3/31/22	6,190.90	3,630.45	3/31/22	300.00	3/31/22	(24.55)	N/A Parcel in District #3	10,096.80		
7817	3/18/22	1096	Sunlit Drive	Richmond American Homes	18	-	6	10	10,096.80	3/31/22	6,190.90	3,630.45	3/31/22	300.00	3/31/22	(24.55)	N/A Parcel in District #3	10,096.80		
7818	3/18/22	1100	Sunlit Drive	Richmond American Homes	18	-	7	10	10,096.80	3/31/22	6,190.90	3,630.45	3/31/22	300.00	3/31/22	(24.55)	N/A Parcel in District #3	10,096.80		
7819	3/18/22	1108	Sunlit Drive	Richmond American Homes	18	-	8	10	10,096.80	3/31/22	6,190.90	3,630.45	3/31/22	300.00	3/31/22	(24.55)	N/A Parcel in District #3	10,096.80		
7820	3/19/22	839	Oleander Street	Richmond American Homes	16	6&7	31	1	10,096.80	3/31/22	6,190.90	3,630.45	3/31/22	300.00	3/31/22	(24.55)	N/A Parcel in District #7	10,096.80		
7821	3/23/22	850	Oleander Street	Richmond American Homes	16	6&7	17	1	10,096.80	4/30/22	6,190.90	3,630.45	4/30/22	300.00	4/30/22	(24.55)	N/A Parcel in District #7	10,096.80		
7822	3/24/22	209	Felicity Loop	KB Home	16	8	15	2	6,852.88	3/31/22	4,136.90	2,432.40	3/31/22	300.00	3/31/22	(16.42)	N/A Parcel in District #7			

**MEADOWS METROPOLITAN DISTRICTS NOS. 1 - 7  
2022 DISTRICTS FACILITIES DEVELOPMENT FEE  
TOWN REIMBURSEMENT LOG**

For the Month Ending: **December-22**

SDF Cert #	Date Issued	Address Number	Street Name	Builder Name	Legal Description Filing	Parcel	Lot	Block	Total Amount Due 2022	#1 Facilities Development Fees Received			#4 Street Oversizing Fee		Collection Fee		#1 Meadows Development Fee		Total Amount Received
										Date	Water & Sewer Fee	Capital Reserve Fee	Date Reported	Amount Received	Date Reported	Amount Deducted	Date Received	Amount Received	
7847	5/6/22	210	Felicity Loop	KB Home	16	8	17	3	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7848	5/6/22	188	Felicity Loop	KB Home	16	8	18	3	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7849	5/6/22	166	Felicity Loop	KB Home	16	8	19	3	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7850	5/6/22	160	Felicity Loop	KB Home	16	8	20	3	6,852.88	5/31/22	4,136.90	2,432.40	5/31/22	300.00	5/31/22	(16.42)	N/A Parcel in District #7	6,852.88	
7851	5/9/22	801	Oleander Street	Richmond American Homes	16	6 & 7	29	1	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7852	5/9/22	979	Oleander Street	Richmond American Homes	16	6 & 7	40	1	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7853	5/9/22	1135	Sunlit Drive	Richmond American Homes	18	-	6	9	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #3	8,974.61	
7854	5/12/22	191	Felicity Loop	KB Home	16	8	17	2	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7855	5/12/22	177	Felicity Loop	KB Home	16	8	18	2	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7856	5/12/22	165	Felicity Loop	KB Home	16	8	19	2	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7857	5/12/22	153	Felicity Loop	KB Home	16	8	20	2	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7858	5/16/22	942	Melting Snow Way	Richmond American Homes	18	-	31	10	8,974.61	8/31/22	5,065.90	3,630.45	8/31/22	300.00	8/31/22	(21.74)	N/A Parcel in District #3	8,974.61	
7859	5/17/22	806	Oleander Street	Richmond American Homes	16	6 & 7	19	1	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7860	5/19/22	148	Felicity Loop	KB Home	16	8	21	3	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7861	5/19/22	134	Felicity Loop	KB Home	16	8	22	3	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7862	5/19/22	127	Felicity Loop	KB Home	16	8	21	2	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7863	5/19/22	115	Felicity Loop	KB Home	16	8	22	2	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7864	5/19/22	103	Felicity Loop	KB Home	16	8	23	2	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7865	5/19/22	97	Felicity Loop	KB Home	16	8	24	2	8,974.61	5/31/22	5,065.90	3,630.45	5/31/22	300.00	5/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7866	5/31/22	1147	Sunlit Drive	Richmond American Homes	18	-	7	9	8,974.61	6/30/22	5,065.90	3,630.45	6/30/22	300.00	6/30/22	(21.74)	N/A Parcel in District #3	8,974.61	
7867	5/31/22	1032	Oleander Street	Richmond American Homes	16	6 & 7	2	1	10,096.80	4/30/22	6,190.90	3,630.45	4/30/22	300.00	4/30/22	(24.55)	N/A Parcel in District #7	10,096.80	
7868	6/3/22	988	Oleander Street	Richmond American Homes	16	6 & 7	6	1	8,974.61	6/30/22	5,065.90	3,630.45	6/30/22	300.00	6/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7869	6/10/22	1091	Sunlit Drive	Richmond American Homes	18	-	5	9	10,096.80								N/A Parcel in District #3	0.00	
7870	6/15/22	787	Oleander Street	Richmond American Homes	16	6 & 7	28	1	8,974.61	6/30/22	5,065.90	3,630.45	6/30/22	300.00	6/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7871	6/17/22	1202	Sunlit Drive	Richmond American Homes	18	-	16	10	8,974.61	6/30/22	5,065.90	3,630.45	6/30/22	300.00	6/30/22	(21.74)	N/A Parcel in District #3	8,974.61	
7872	6/17/22	1108	Melting Snow Way	Richmond American Homes	18	-	38	10	8,974.61	6/30/22	5,065.90	3,630.45	6/30/22	300.00	6/30/22	(21.74)	N/A Parcel in District #3	8,974.61	
7873	6/21/22	1175	Sunlit Drive	Richmond American Homes	18	-	9	9	8,974.61	7/31/22	5,065.90	3,630.45	7/31/22	300.00	7/31/22	(21.74)	N/A Parcel in District #3	8,974.61	
7874	6/29/22	120	Felicity Loop	KB Home	16	8	23	3	8,974.61	6/30/22	5,065.90	3,630.45	6/30/22	300.00	6/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7875	6/29/22	138	Felicity Loop	KB Home	16	8	24	3	8,974.61	6/30/22	5,065.90	3,630.45	6/30/22	300.00	6/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7876	6/29/22	96	Felicity Loop	KB Home	16	8	25	3	8,974.61	6/30/22	5,065.90	3,630.45	6/30/22	300.00	6/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7877	6/29/22	92	Felicity Loop	KB Home	16	8	26	3	8,974.61	6/30/22	5,065.90	3,630.45	6/30/22	300.00	6/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7878	7/20/22	1153	Sunlit Drive	Richmond American Homes	18	-	8	9	8,974.61	8/31/22	5,065.90	3,630.45	8/31/22	300.00	8/31/22	(21.74)	N/A Parcel in District #3	8,974.61	
7879	7/20/22	970	Oleander Street	Richmond American Homes	16	6 & 7	8	1	8,974.61	7/31/22	5,065.90	3,630.45	7/31/22	300.00	9/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7880	7/20/22	778	Oleander Street	Richmond American Homes	16	6 & 7	21	1	8,974.61	7/31/22	5,065.90	3,630.45	7/31/22	300.00	7/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7881	8/1/22	965	Oleander Street	Richmond American Homes	16	6 & 7	39	1	8,974.61	8/31/22	5,065.90	3,630.45	8/31/22	300.00	8/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7882	8/3/22	1178	Melting Snow Way	Richmond American Homes	18	-	41	10	8,974.61	8/31/22	5,065.90	3,630.45	8/31/22	300.00	8/31/22	(21.74)	N/A Parcel in District #3	8,974.61	
7883	8/5/22	85	Felicity Loop	KB Home	16	8	25	2	8,974.61	8/31/22	5,065.90	3,630.45	8/31/22	300.00	8/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7884	8/5/22	71	Felicity Loop	KB Home	16	8	26	2	8,974.61	8/31/22	5,065.90	3,630.45	8/31/22	300.00	8/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7885	8/5/22	59	Felicity Loop	KB Home	16	8	27	2	8,974.61	8/31/22	5,065.90	3,630.45	8/31/22	300.00	8/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7886	8/5/22	45	Felicity Loop	KB Home	16	8	28	2	8,974.61	8/31/22	5,065.90	3,630.45	8/31/22	300.00	8/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7887	8/5/22	976	Oleander Street	Richmond American Homes	16	6 & 7	7	1	8,974.61	8/31/22	5,065.90	3,630.45	8/31/22	300.00	8/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7888	8/17/22	1126	Melting Snow Way	Richmond American Homes	18	-	39	10	8,974.61	8/31/22	5,065.90	3,630.45	8/31/22	300.00	8/31/22	(21.74)	N/A Parcel in District #3	8,974.61	
7889	8/22/22	792	Oleander Street	Richmond American Homes	16	6 & 7	20	1	8,974.61								N/A Parcel in District #7	0.00	
7890	8/22/22	1150	Melting Snow Way	Richmond American Homes	18	-	40	10	8,974.61	9/30/22	5,065.90	3,630.45	9/30/22	300.00	9/30/22	(21.74)	N/A Parcel in District #3	8,974.61	
7891	8/30/22	33	Felicity Loop	KB Home	16	8	29	2	8,974.61	9/30/22	5,065.90	3,630.45	9/30/22	300.00	9/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7892	8/30/22	27	Felicity Loop	KB Home	16	8	30	2	8,974.61	9/30/22	5,065.90	3,630.45	9/30/22	300.00	9/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7893	8/31/22	3533	Timber Mill Pkwy - COMM	Saunders Inc.	19	2N	1	-	22,771.84	7/31/22	11,014.45	11,513.71	7/31/22	6,335.20	6/30/22	(52.17)	N/A Parcel in District #5	28,811.19	
7894	8/31/22	3563	Timber Mill Pkwy - COMM	Saunders Inc.	19	2N	2	1	29,094.88	6/30/22	16,777.65	12,089.40	6/30/22	6,335.20	6/30/22	(68.02)	N/A Parcel in District #5	35,134.23	
7895	9/1/22	925	Oleander Street	Richmond American Homes	16	6 & 7	37	1	8,974.61	9/30/22	5,065.90	3,630.45	9/30/22	300.00	9/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7896	9/6/22	78	Felicity Loop	KB Home	16	8	27	3	6,101.01	9/30/22	3,383.15	2,432.40	9/30/22	300.00	9/30/22	(14.54)	N/A Parcel in District #7	6,101.01	
7897	9/6/22	64	Felicity Loop	KB Home	16	8	28	3	6,101.01	9/30/22	3,383.15	2,432.40	9/30/22	300.00	9/30/22	(14.54)	N/A Parcel in District #7	6,101.01	
7898	9/12/22	1178	Sunlit Drive	Richmond American Homes	18	-	14	10	8,974.61	9/30/22	5,065.90	3,630.45	9/30/22	300.00	9/30/22	(21.74)	N/A Parcel in District #3	8,974.61	
7899	9/14/22	52	Felicity Loop	KB Home	16	8	29	3	8,974.61	9/30/22	5,065.90	3,630.45	9/30/22	300.00	9/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7900	9/14/22	38	Felicity Loop	KB Home	16	8	30	3	8,974.61	9/30/22	5,065.90	3,630.45	9/30/22	300.00	9/30/22	(21.74)	N/A Parcel in District #7	8,974.61	
7901	9/19/22	1170	Sunlit Drive	Richmond American Homes	18	-	13	10	8,974.61	10/31/22	5,065.90	3,630.45	10/31/22	300.00	10/31/22	(21.74)	N/A Parcel in District #3	8,974.61	
7902	9/20/22	1194	Sunlit Drive	Richmond American Homes	18	-	15	10	8,974.61	9/30/22	5,065.90	3,630.45	9/30/22	300.00	9/30/22	(21.74)	N/A Parcel in District #3	8,974.61	
7903	9/21/22	940	Oleander Street	Richmond American Homes	16	6 & 7	11	1	8,974.61	10/31/22	5,065.90	3,630.45	10/31/22	300.00	10/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7904	9/28/22	15	Felicity Loop	KB Home	16	8	31	2	8,974.61	10/31/22	5,065.90	3,630.45	10/31/22	300.00	10/31/22	(21.74)	N/A Parcel in District #7	8,974.61	
7905	9/28/22	1	Felicity Loop	KB Home	16	8	32	2	8,794.61	10/31/22	5,065.90	3,630.45	10/31/22	300.00	10/31/22	(21.74)	N/A Parcel in District #7	8,794.61	
7906	9/30/22	628	Felicity Loop	KB Home	16	8	3	4	6,101.01	10/31/22	3,383.15	2,432.40	10/31/22	300.00	10/31/22	(14.54)	N/A Parcel in District #7	6,101.01	
7907	9/30/22	612	Felicity Loop	KB Home	16	8	4	4	6,101.01	10/31/22	3,383.15	2,432.40	10/31/22	300.00	10/31/22	(1			

**MEADOWS METROPOLITAN DISTRICTS NOS. 1 - 7  
2022 DISTRICTS FACILITIES DEVELOPMENT FEE  
TOWN REIMBURSEMENT LOG**

For the Month Ending: **December-22**

SDF Cert #	Date Certificate Issued	Address Number	Street Name	Builder Name	Legal Description Filing	Total Amount Due 2022			#4			#4		#1		Total Amount Received				
						Parcel	Lot	Block	Date	Water & Sewer Fee	Capital Reserve Fee	Date Reported	Amount Received	Date Reported	Amount Deducted		Date Received	Amount Received		
				Wire Fees	\$12.50						(150.00)									
				Rounding							(0.02)									
				TBD																
								<u>1,402,207.96</u>			<u>753,738.65</u>	<u>504,880.43</u>		<u>59,968.64</u>	(a/c #116270)	<u>(3,154.78)</u>		<u>-</u>	<u>1,315,432.94</u>	
				Certificate Reconciliation					TOTAL DUE FROM TOWN:		1,402,057.94							Outstanding	1,800.00	
				13 Carried forward from 2021					TOTAL PAID TO DISTRICT:		(1,318,587.72)								300.00	
				145 Issued during 2022					<b>TOTAL DOLLARS TO BE PAID:</b>		<u>83,470.22</u>									
				0 Open Items							MMD#4								<u>2,100.00</u>	(a/c #111358)
				158																
				0 Void during 2022																
				-154 Paid during 2022																
				4 Certs to be paid by TOCR																
									TO BE PAID:											
									# of Facilities Develop Fees			4								
									# of Street Oversizing Fees			4								
									# of Meadows Develop Fees			-								
									GROSS REVENUE		1,261,923.89									
									LESS AMOUNT OVERPAID		-									
									LESS WIRE TRANSFER FEES		(150.00)									
											<u>1,261,773.89</u>			(a/c #116410)						
									Admin Fees (0.25%)		(3,274.75)			(a/c #117510)						
									NET REVENUE:		<u>1,258,499.14</u>									
											1,258,499.14									
											-								Difference	

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.