

**MERIDIAN RANCH METROPOLITAN DISTRICT (MRMD)  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT (MRMD 2018 Subdistrict)  
REGULAR MEETING AGENDA**

| <u>Board of Directors</u> | <u>Office</u>   | <u>Term Expiration</u> |
|---------------------------|-----------------|------------------------|
| Robert Guevara            | President       | May 2025               |
| Michael Paul              | Vice President  | May 2027               |
| Ryan Flood                | Treasurer       | May 2027               |
| Richard Wenzel            | Secretary       | May 2027               |
| Wayne Reorda              | Asst. Secretary | May 2025               |

**DATE:** Tuesday, September 3, 2024  
**TIME:** 5:30 p.m.  
**PLACE:** Meridian Ranch Recreation Center  
10301 Angeles Road  
Peyton, CO 80831

**The Public may participate in person or by following this link [Join the meeting now](#) or by telephone by calling +1 872-242-8662 and using Phone Conference ID: 836 619 633#**

**I. ADMINISTRATIVE ITEMS:**

- A. Call to Order
- B. Pledge of Allegiance
- C. New Conflicts of Interest
- D. Approve Agenda
- E. Review and Approve August 6, 2024, Regular Board Meeting Minutes (enclosure) ***Pages 3 & 4***
- F. Visitor Comments for items not on the agenda (Limited to 3 minutes per resident or household)

**II. FINANCIAL ITEMS:**

- A. Consider Proposed MRMD 2023 Budget Amendment
  - 1. Conduct Public Hearing on Proposed MRMD 2023 Budget Amendment
  - 2. Adopt Resolution MRMD 24-04 Adopting Amended MRMD 2023 Budget (enclosure) ***Pages 5-8***
- B. Consider Proposed MRMD 2018 Sub-District 2023 Budget Amendment
  - 3. Conduct Public Hearing on Proposed MRMD 2018 Sub-District 2023 Budget Amendment
  - 4. Adopt Resolution MRMD 24-05 Adopting Amended MRMD 2018 Sub-District 2023 Budget (enclosure) ***Pages 9-12***
- C. Presentation and acceptance of the 2023 Audit for Meridian Ranch and Meridian Ranch 2018 Sub-District ***Pages 13-85***
- D. Review, Ratify and Approve Monthly Payment of Claims (enclosure and/or distributed under separate cover) ***Pages 86-89***

**III. ACTION ITEMS:**

**IV. DEVELOPER ITEMS:**

- A. Verbal Report from Construction Manager

**V. DIRECTOR ITEMS:**

- A. Board President's discussion and Q&A of current events that affect Meridian Ranch

- B. Three or more directors may be attending the groundbreaking ceremony for the new Fieldhouse, at 10559 Rainbow Bridge Drive, at 1PM August 4, 2024. No District business will be conducted

**VI. LEGAL ITEMS:**

- A. Enter into Executive Session pursuant to C.R.S. 24-6-402(4)(b): Conference for the purposes of conferring with the District's attorney regarding specific advice on specific legal questions relating to the Ranch's relationship to the Service District and possible severance therefrom.

**VII. ADJOURNMENT:**

**The next regular meeting of the Board is scheduled for Tuesday, October 1, 2024, at 5:30 p.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831**

# RECORD OF PROCEEDINGS

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**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
MERIDIAN RANCH METROPOLITAN DISTRICT (MRMD)  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT (MRMD 2018 Subdistrict)**

**Held:** July 2, 2024, 5:30 p.m., at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831

**Attendance:** The following Directors were in attendance:

Robert Guevara, President  
Michael Paul, Vice President (via audio conference)  
Ryan Flood; Treasurer  
Richard Wenzel; Secretary  
Wayne Reorda; Assistant Secretary

Also present were:

Jim Nikkel; Meridian Service Metro District  
Jennette Coe; Meridian Service Metro District  
Beth Aldrich; Meridian Service Metro District  
Russ Mills; Meridian Service Metro District  
Ryan Kozlowski; Meridian Service Metro District  
Aleks Myszkowski; Meridian Service Metro District  
John Chmil; Lyons Gaddis (via audio conference)  
Calley Wenzel; Resident  
Jay Adams; Resident

**Call to Order** A quorum of the Board was present, and the Directors confirmed their qualification to serve. The meeting was called to order at 5:32 p.m.

**Disclosure Matter** Director Guevara confirmed with the Board members that there were no new conflicts of interest.

**Approve Agenda** The Board reviewed the Agenda. A motion was made to approve the agenda. The motion was seconded and approved by unanimous vote of Directors present.

**Approve Minutes** The Board reviewed the June 4, 2024, Board Minutes and a motion was made, and seconded to approve the minutes as presented. The motion was approved by unanimous vote of Directors present.

**Visitor Comments** There were none.

**Action Item:** There were none.

# RECORD OF PROCEEDINGS

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**Financial Items**      Approval of Payment of Claims: A motion was made and seconded to approve the MRMD payment of claims represented by check numbers 2524-2530 totaling \$15,001.30. The motion was approved by unanimous vote of Directors present. Mr. Guevara asked about the status of the MRMD Audit. Mr. Nikkel informed the Board that CRS may need to file an extension The Audit presentation will be at the August Board meeting unless there is an issue. If that is the case, there will be a special meeting.

**Developer Items**      Mr. Nikkel gave an update on development activities on behalf of Mr. Guzman who was unable to attend. Mr. Nikkel reported that they are still pressing forward on opening Rex Road out to Eastonville by the end of the month and that it might be necessary to postpone installing the sod due to the hot weather.

**Director Items**      Director Flood asked about the stage one water restrictions. Mr. Nikkel explained that it was implemented due to the hot weather.

**Legal Items**      Director Guevara moved to go into closed executive session pursuant to Sec. 24-6-402(4)(b), C.R.S., to confer with the District's attorney regarding specific advice on specific legal questions relating to the Ranch's relationship to the Service District and possible severance therefrom. The motion was seconded and approved by unanimous vote of Directors present, with Director Reorda abstaining and not participating in the executive session due to his role on the Meridian Service Metro District Board of Directors. At the conclusion of the executive session, a motion was made, seconded and approved by unanimous vote of Directors present to close the executive session. No action was taken coming out of executive session.

**Adjournment**      There being no further business to come before the Board, the President adjourned the meeting at 6:30 p.m.

The next regular meeting of the Board is scheduled for August 6, 2024 at 5:30 p.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831.

Respectfully submitted,

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Secretary for the Meeting

**DRAFT 9/3/24**

**RESOLUTION (MRMD 23-05) TO AMEND 2023 BUDGET  
MERIDIAN RANCH METROPOLITAN DISTRICT**

WHEREAS, the Board of Directors of the **MERIDIAN RANCH METROPOLITAN DISTRICT** appropriated funds for the fiscal year 2023 as follows:

Debt Service Fund                            \$ 7,533,738

; 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 2023; 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 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 September 3, 2024 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 **MERIDIAN RANCH METROPOLITAN DISTRICT** shall, and hereby does, amend the budget for the fiscal year 2023 as follows:

Debt Service Fund                            \$ 7,687,838

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the Funds referenced above for the purposes stated.

Adopted this 3rd day of September, 2024.

**MERIDIAN RANCH  
METROPOLITAN DISTRICT**

By: \_\_\_\_\_  
Robert Guevara, President

ATTEST:

\_\_\_\_\_  
Richard Wenzel, Secretary

**EXHIBIT A**  
**(Amended Budget for Fiscal Year 2023)**

**EXHIBIT A**

**MERIDIAN RANCH METROPOLITAN DISTRICT  
DEBT FUND  
2023 BUDGET AMENDMENT**

|   | <b>BUDGET AMOUNTS</b>      |                            |
|---|----------------------------|----------------------------|
|   | <u>ADOPTED</u>             | <u>AMENDED</u>             |
| <b>REVENUES</b>                             |                            |                            |
| Property taxes                              | \$ 2,683,809               | \$ 2,683,809               |
| Specific ownership taxes                    | 230,926                    | 281,000                    |
| Interest income                             | 15,000                     | 96,000                     |
| <b>Total revenues</b>                       | <u>2,929,735</u>           | <u>3,060,809</u>           |
| <b>EXPENDITURES</b>                         |                            |                            |
| County treasurer's fees                     | 40,257                     | 40,257                     |
| G.O. refunding loan 2022 - principal        | 235,000                    | 235,000                    |
| G.O. refunding loan 2022 - interest         | 2,756,481                  | 2,756,481                  |
| Paying agent fees                           | 1,000                      | 4,500                      |
| IGA - Meridian Service                      | 4,500,000                  | 4,650,000                  |
| Miscellaneous                               | 1,000                      | 1,600                      |
| <b>Total expenditures</b>                   | <u>7,533,738</u>           | <u>7,687,838</u>           |
| <b>EXCESS OF EXPENDITURES OVER REVENUES</b> | <u>(4,604,003)</u>         | <u>(4,627,029)</u>         |
| <b>OTHER FINANCING SOURCES</b>              |                            |                            |
| IGA revenues - Meridian Service MD          | <u>1,000,000</u>           | <u>1,000,000</u>           |
| <b>Total other financing sources</b>        | <u>1,000,000</u>           | <u>1,000,000</u>           |
| <b>NET CHANGE IN FUND BALANCE</b>           | (3,604,003)                | (3,627,029)                |
| <b>BEGINNING FUND BALANCE</b>               | <u>6,464,495</u>           | <u>4,743,908</u>           |
| <b>ENDING FUND BALANCE</b>                  | <u><u>\$ 2,860,492</u></u> | <u><u>\$ 1,116,879</u></u> |



# DRAFT 9/3/24

## RESOLUTION (MRMD 2018 SD 23-06) TO AMEND 2023 BUDGET MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT

WHEREAS, the Board of Directors of the **MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT** appropriated funds for the fiscal year 2023 as follows:

|                                    |              |
|------------------------------------|--------------|
| General Fund                       | \$ 29,360    |
| Debt Service and Improvements Fund | \$ 3,215,768 |

; 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 2023; 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 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 September 3, 2024 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 **MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT** shall, and hereby does, amend the budget for the fiscal year 2023 as follows:

|              |           |
|--------------|-----------|
| General Fund | \$ 48,100 |
|--------------|-----------|

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the Funds referenced above for the purposes stated.

Adopted this 3rd day of September, 2024.

**MERIDIAN RANCH METROPOLITAN  
DISTRICT 2018 SUBDISTRICT**

By: \_\_\_\_\_  
Robert Guevara, President

ATTEST:

\_\_\_\_\_  
Richard Wenzel, Secretary

**EXHIBIT A**  
**(Amended Budget for Fiscal Year 2023)**

EXHIBIT A

MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT  
GENERAL FUND  
2023 BUDGET AMENDMENT

|   | BUDGET AMOUNTS    |                   |
|---|-------------------|-------------------|
|   | ADOPTED           | AMENDED           |
| <b>REVENUES</b>                             |                   |                   |
| Interest                                    | \$ 500            | \$ 16,100         |
| <b>Total revenues</b>                       | <u>500</u>        | <u>16,100</u>     |
| <b>EXPENDITURES</b>                         |                   |                   |
| Accounting and management                   | 5,000             | 20,000            |
| Audit                                       | 10,000            | 26,000            |
| Election                                    | 12,000            | 1,900             |
| Insurance                                   | -                 | 200               |
| Legal                                       | 1,000             | -                 |
| Miscellaneous                               | 500               | -                 |
| Emergency reserve                           | 860               | -                 |
| <b>Total expenditures</b>                   | <u>29,360</u>     | <u>48,100</u>     |
| <b>EXCESS OF EXPENDITURES OVER REVENUES</b> | <u>(28,860)</u>   | <u>(32,000)</u>   |
| <b>OTHER FINANCING SOURCES</b>              |                   |                   |
| Transfer from other funds                   | -                 | 10,000            |
| Transfer from Meridian Service MD           | 30,000            | 30,000            |
| <b>Total other financing sources</b>        | <u>30,000</u>     | <u>40,000</u>     |
| <b>NET CHANGE IN FUND BALANCE</b>           | 1,140             | 8,000             |
| <b>BEGINNING FUND BALANCE</b>               | <u>209,454</u>    | <u>223,196</u>    |
| <b>ENDING FUND BALANCE</b>                  | <u>\$ 210,594</u> | <u>\$ 231,196</u> |

**DRAFT 9/3/24**

**MERIDIAN RANCH METROPOLITAN DISTRICT  
El Paso County, Colorado**

**FINANCIAL STATEMENTS  
December 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Meridian Ranch Metro District

### Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of Meridian Ranch Metro District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, and the budgetary comparison schedules for the General Fund and the Conservation Trust Fund, 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, the aggregate discretely presented component unit, and each major fund of Meridian Ranch Metro District, as of December 31, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and Conservation Trust Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Meridian Ranch Metro 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.

### Auditors' Responsibilities 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 auditors' report that includes our opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Meridian Ranch Metro 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 Meridian Ranch Metro 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 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 Meridian Ranch Metro District's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 report. The other information comprises the Schedule of Debt Service Requirements to Maturity and the Summary of Assessed Valuation, Mill Levy and Property Taxes Collected. 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.

*Haynie & Company*

Littleton, Colorado  
September 3, 2024



## **BASIC FINANCIAL STATEMENTS**

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION (DEFICIT)**  
**December 31, 2023**

|   | <b>Primary<br/>Government -<br/>Governmental<br/>Activities</b> | <b>Component Unit</b> |
|---|---|-----------------------|
| <b>ASSETS</b>                               |   |                       |
| Cash and investments - unrestricted         | \$ 1,210,494  | \$ 272,947            |
| Cash and investments - restricted           | 1,102,187   | 20,028,833            |
| Prepaid expenditures                        | 5,576   | -                     |
| Receivable from county treasurer            | 25,832  | 3,395                 |
| Due from component unit                     | 41,368  | -                     |
| Property taxes receivable                   | 4,285,998   | 705,361               |
| Total assets                                | 6,671,455   | 21,010,536            |
| <b>LIABILITIES</b>                          |   |                       |
| Accounts payable                            | 19,037  | -                     |
| Due to primary government                   | -   | 41,368                |
| Accrued interest payable                    | 237,333   | 115,539               |
| Due to Meridian Service MD                  | -   | 443,044               |
| Long-term obligations - due within one year | 470,000   | -                     |
| Noncurrent liabilities:                     |   |                       |
| Long-term obligations                       | 56,490,000  | 20,875,000            |
| Total liabilities                           | 57,216,370  | 21,474,951            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |   |                       |
| Deferred property tax revenue               | 4,285,998   | 705,361               |
| Total deferred inflows of resources         | 4,285,998   | 705,361               |
| <b>NET POSITION (DEFICIT)</b>               |   |                       |
| Restricted for:                             |   |                       |
| Emergencies                                 | 4,000   | 1,500                 |
| Unrestricted                                | (54,834,913)  | (1,171,276)           |
| Total net position (deficit)                | \$ (54,830,913)   | \$ (1,169,776)        |

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023**

| <u>Functions/Programs</u>                                | <u>Expenses</u>     | <u>Program Revenues</u>         |   |   | <u>Net (Expense) Revenue and Change in<br/>Net Position</u> |                       |
|--|---------------------|---------------------------------|---|---|---|-----------------------|
|  |                     | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Capital<br/>Grants and<br/>Contributions</u> | <u>Primary<br/>Government</u>                               |                       |
|  |                     |                                 |   |   | <u>Governmental<br/>Activities</u>                          | <u>Component Unit</u> |
| Primary Government:                                      |                     |                                 |   |   |   |                       |
| Governmental activities:                                 |                     |                                 |   |   |   |                       |
| General government                                       | \$ 584,864          | \$ -                            | \$ 1,062,832                                      | \$ -  | \$ 477,968  |                       |
| Interest and expenses on long-term debt                  | 7,502,432           | -                               | -   | -   | (7,502,432)   |                       |
|  | <u>\$ 8,087,296</u> | <u>\$ -</u>                     | <u>\$ 1,062,832</u>                               | <u>\$ -</u>                                     | <u>(7,024,464)</u>  |                       |
| Component Unit:  |                     |                                 |   |   |   |                       |
| Meridian Ranch Metropolitan District<br>2018 Subdistrict | <u>\$ 1,933,411</u> | <u>\$ -</u>                     | <u>\$ -</u>                                       | <u>\$ -</u>                                     |   | <u>\$ (1,933,411)</u> |
| General Revenues:  |                     |                                 |   |   |   |                       |
| Property taxes   |                     |                                 |   |   | 3,253,503   | 422,041               |
| Specific ownership taxes                                 |                     |                                 |   |   | 340,441   | 44,191                |
| Meridian Service MD - IGA                                |                     |                                 |   |   | -   | 30,000                |
| Interest   |                     |                                 |   |   | 175,520   | 1,004,570             |
| Total general revenues                                   |                     |                                 |   |   | <u>3,769,464</u>  | <u>1,500,802</u>      |
| Change in net position                                   |                     |                                 |   |   | (3,255,000)   | (432,609)             |
| Net position (deficit) - beginning                       |                     |                                 |   |   | (51,575,913)  | (737,167)             |
| Net position (deficit) - ending                          |                     |                                 |   |   | <u>\$ (54,830,913)</u>                                      | <u>\$ (1,169,776)</u> |

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2023**

|  | <u>General</u>      | <u>Conservation<br/>Trust</u> | <u>Debt<br/>Service</u> | <u>Governmental<br/>Funds</u> |
|--|---------------------|-------------------------------|-------------------------|-------------------------------|
| <b>ASSETS</b>  |                     |                               |                         |                               |
| Cash and investments - unrestricted                                      | \$ 1,210,494        | \$ -                          | \$ -                    | \$ 1,210,494                  |
| Cash and investments - restricted  | -                   | -                             | 1,102,187               | 1,102,187                     |
| Prepaid expenditures   | 5,576               | -                             | -                       | 5,576                         |
| Receivable from county treasurer   | 4,510               | -                             | 21,322                  | 25,832                        |
| Due from component unit  | 41,368              | -                             | -                       | 41,368                        |
| Property taxes receivables   | 599,795             | -                             | 3,686,203               | 4,285,998                     |
| Total assets   | <u>\$ 1,861,743</u> | <u>\$ -</u>                   | <u>\$ 4,809,712</u>     | <u>\$ 6,671,455</u>           |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>      |                     |                               |                         |                               |
| <b>LIABILITIES</b>   |                     |                               |                         |                               |
| Accounts payable   | \$ 19,037           | \$ -                          | \$ -                    | \$ 19,037                     |
| Total liabilities  | <u>19,037</u>       | <u>-</u>                      | <u>-</u>                | <u>19,037</u>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                     |                               |                         |                               |
| Deferred property tax revenue  | 599,795             | -                             | 3,686,203               | 4,285,998                     |
| Total deferred inflows of resources                                      | <u>599,795</u>      | <u>-</u>                      | <u>3,686,203</u>        | <u>4,285,998</u>              |
| <b>FUND BALANCES</b>   |                     |                               |                         |                               |
| Nonspendable:  |                     |                               |                         |                               |
| Prepaid expenditures   | 5,576               | -                             | -                       | 5,576                         |
| Assigned for next year's expenditures                                    | 48,655              | -                             | -                       | 48,655                        |
| Restricted:  |                     |                               |                         |                               |
| Emergency reserves   | 4,000               | -                             | -                       | 4,000                         |
| Debt service fund  | -                   | -                             | 1,123,509               | 1,123,509                     |
| Unassigned   | 1,184,680           | -                             | -                       | 1,184,680                     |
| Total fund balances  | <u>1,242,911</u>    | <u>-</u>                      | <u>1,123,509</u>        | <u>2,366,420</u>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b> | <u>\$ 1,861,743</u> | <u>\$ -</u>                   | <u>\$ 4,809,712</u>     |                               |

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

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

|   |                        |
|---|------------------------|
| Long-term obligations                             | (56,960,000)           |
| Accrued interest on long-term obligations         | (237,333)              |
| Net position (deficit) of governmental activities | <u>\$ (54,830,913)</u> |

These financial statements should be read only in connection with the accompanying notes to financial statements.

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2023**

|   | <u>General</u>      | <u>Conservation<br/>Trust</u> | <u>Debt<br/>Service</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|---------------------|-------------------------------|-------------------------|---|
| <b>REVENUES</b>                                 |                     |                               |                         |   |
| Property taxes                                  | \$ 568,061          | \$ -                          | \$ 2,685,442            | \$ 3,253,503                            |
| Specific ownership taxes                        | 59,441              | -                             | 281,000                 | 340,441                                 |
| Conservation trust funds                        | -                   | 62,832                        | -                       | 62,832                                  |
| Interest  | 78,959              | -                             | 96,561                  | 175,520                                 |
| Total revenues                                  | <u>706,461</u>      | <u>62,832</u>                 | <u>3,063,003</u>        | <u>3,832,296</u>                        |
| <b>EXPENDITURES</b>                             |                     |                               |                         |   |
| <u>General</u>                                  |                     |                               |                         |   |
| District management and accounting              | 33,532              | -                             | -                       | 33,532                                  |
| Audit   | 27,541              | -                             | -                       | 27,541                                  |
| County treasurer fees                           | 8,527               | -                             | 40,311                  | 48,838                                  |
| Directors fees                                  | 5,600               | -                             | -                       | 5,600                                   |
| Dues and subscriptions                          | 639                 | -                             | -                       | 639                                     |
| Election  | 43,280              | -                             | -                       | 43,280                                  |
| Insurance and bonds                             | 5,125               | -                             | -                       | 5,125                                   |
| Legal   | 6,443               | -                             | -                       | 6,443                                   |
| Miscellaneous                                   | 606                 | -                             | 1,601                   | 2,207                                   |
| Payroll taxes                                   | 428                 | -                             | -                       | 428                                     |
| <u>Debt service</u>                             |                     |                               |                         |   |
| Principal                                       | -                   | -                             | 235,000                 | 235,000                                 |
| Interest  | -                   | -                             | 2,756,481               | 2,756,481                               |
| Paying agent and cash management fees           | -                   | -                             | 4,406                   | 4,406                                   |
| Total expenditures                              | <u>131,721</u>      | <u>-</u>                      | <u>3,037,799</u>        | <u>3,169,520</u>                        |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <u>574,740</u>      | <u>62,832</u>                 | <u>25,204</u>           | <u>662,776</u>                          |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                     |                               |                         |   |
| Intergovernmental revenues - Meridian Service   |                     |                               |                         |   |
| Metropolitan District                           | -                   | -                             | 1,000,000               | 1,000,000                               |
| Intergovernmental expense - Meridian Service    |                     |                               |                         |   |
| Metropolitan District                           | <u>(350,000)</u>    | <u>(62,832)</u>               | <u>(4,645,603)</u>      | <u>(5,058,435)</u>                      |
| Total other financing sources (uses)            | <u>(350,000)</u>    | <u>(62,832)</u>               | <u>(3,645,603)</u>      | <u>(4,058,435)</u>                      |
| <b>NET CHANGES IN FUND BALANCES</b>             | 224,740             | -                             | (3,620,399)             | (3,395,659)                             |
| <b>FUND BALANCES - BEGINNING OF YEAR</b>        | 1,018,171           | -                             | 4,743,908               | 5,762,079                               |
| <b>FUND BALANCES - END OF YEAR</b>              | <u>\$ 1,242,911</u> | <u>\$ -</u>                   | <u>\$ 1,123,509</u>     | <u>\$ 2,366,420</u>                     |

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023**

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

|   |                |
|---|----------------|
| Net change in fund balance - Total governmental funds | \$ (3,395,659) |
|---|----------------|

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

|                         |         |
|-------------------------|---------|
| Loan principal payments | 235,000 |
|-------------------------|---------|

Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:

|   |                 |
|---|-----------------|
| Net change in accrued interest on long-term obligations | <u>(94,341)</u> |
|---|-----------------|

|   |                              |
|---|------------------------------|
| Change in net position of governmental activities | <u><u>\$ (3,255,000)</u></u> |
|---|------------------------------|

These financial statements should be read only in connection with the accompanying notes to financial statements.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2023**

|   | <u>Budget Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-----------------------|---------------------|---------------------------|---|
|   | <u>Original</u>       | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                                 |                       |                     |                           |   |
| Property taxes                                  | \$ 567,772            | \$ 567,772          | \$ 568,061                | \$ 289  |
| Specific ownership taxes                        | 48,854                | 48,854              | 59,441                    | 10,587  |
| Interest  | 5,000                 | 60,000              | 78,959                    | 18,959  |
| Total revenues                                  | <u>621,626</u>        | <u>676,626</u>      | <u>706,461</u>            | <u>29,835</u>   |
| <b>EXPENDITURES</b>                             |                       |                     |                           |   |
| District management and accounting              | 30,000                | 30,000              | 33,532                    | (3,532)   |
| Audit   | 13,000                | 26,500              | 27,541                    | (1,041)   |
| County treasurer fees                           | 8,517                 | 8,517               | 8,527                     | (10)  |
| Directors fees                                  | 12,000                | 12,000              | 5,600                     | 6,400   |
| Dues and subscriptions                          | 1,500                 | 1,500               | 639                       | 861   |
| Election  | 45,000                | 45,000              | 43,280                    | 1,720   |
| Insurance and bonds                             | 5,000                 | 6,500               | 5,125                     | 1,375   |
| Legal   | 5,000                 | 5,000               | 6,443                     | (1,443)   |
| Miscellaneous                                   | 1,000                 | 1,000               | 606                       | 394   |
| Payroll taxes                                   | 918                   | 918                 | 428                       | 490   |
| Emergency reserve                               | 14,200                | 14,200              | -                         | 14,200  |
| Total expenditures                              | <u>136,135</u>        | <u>151,135</u>      | <u>131,721</u>            | <u>19,414</u>   |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> |                       |                     |                           |   |
|   | <u>485,491</u>        | <u>525,491</u>      | <u>574,740</u>            | <u>49,249</u>   |
| <b>OTHER FINANCING USES</b>                     |                       |                     |                           |   |
| Intergovernmental expense - Meridian Service    |                       |                     |                           |   |
| Metropolitan District                           | (350,000)             | (350,000)           | (350,000)                 | -   |
| Total other financing uses                      | <u>(350,000)</u>      | <u>(350,000)</u>    | <u>(350,000)</u>          | <u>-</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>               | 135,491               | 175,491             | 224,740                   | 49,249  |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>         | <u>980,995</u>        | <u>1,018,171</u>    | <u>1,018,171</u>          | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>               | <u>\$ 1,116,486</u>   | <u>\$ 1,193,662</u> | <u>\$ 1,242,911</u>       | <u>\$ 49,249</u>  |

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
 CONSERVATION TRUST FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
 BUDGET AND ACTUAL  
 Year Ended December 31, 2023**

|   | <u>Budget Amounts</u><br><u>Original &amp; Final</u> | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>Final Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---|--|---------------------------------|---|
| <b>REVENUES</b>   |  |                                 |   |
| Conservation trust funds  | \$ 65,000  | \$ 62,832                       | \$ (2,168)  |
| Total revenues  | <u>65,000</u>  | <u>62,832</u>                   | <u>(2,168)</u>  |
| <b>EXPENDITURES</b>   |  |                                 |   |
| Intergovernmental expense - Meridian<br>Service Metropolitan District | 65,000   | 62,832                          | 2,168   |
| Total expenditures  | <u>65,000</u>  | <u>62,832</u>                   | <u>2,168</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                                     | -  | -                               | -   |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>                               | <u>-</u>   | <u>-</u>                        | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>                                     | <u>\$ -</u>  | <u>\$ -</u>                     | <u>\$ -</u>   |

These financial statements should be read only in connection with  
 the accompanying notes to financial statements.



**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Meridian Ranch Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 5, 1998 concurrently with Meridian Service Metropolitan District (collectively, the Districts) to provide water and wastewater service, street improvements, safety protection, parks and recreation facilities, drainage, landscape, mosquito control, transportation and television relay for public and private purposes by any available means. The Districts also have limited fire protection powers in a cooperative manner with Falcon Fire Protection District. The Districts' service area is located in El Paso County, Colorado. The District is considered to be the financing district related to Meridian Service Metropolitan District (Meridian Service), the operating district (see Note 8).

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.

These financial statements include those of the District (primary government) and organizations for which the District is financially accountable (component units). The following component unit is included in the reporting entity: Meridian District 2018 Subdistrict. This component unit issues its own financial statements which can be obtained by contacting the District's Finance Department at 303-381-4960 or through the Office of the State Auditor at 303-869-3000.

**Discretely Presented Component Unit**

Meridian Ranch Metropolitan District 2018 Subdistrict - The District organized the Meridian Ranch Metropolitan District 2018 Subdistrict (Subdistrict or component unit) on July 11, 2018. Pursuant to the Special District Act, the Subdistrict is subject to the District's service plan and debt limitations. In addition, an intergovernmental agreement between the District and the Subdistrict provides for, among other things, limitations related to mill levy limitations and the issuance of additional indebtedness for the District and Subdistrict.

The District has no employees and all operation and administrative functions are contracted.

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies 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 primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. The primary government is reported separately from the legally separate component unit.

The statement of net position reports all financial and capital resources of the primary government and its component unit. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources 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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Expenditures for property and equipment are shown as increases in assets and redemptions of bonds, notes and developer advances are recorded as reductions 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 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, revenues are considered to be available if they are collected within 60 days of the end of the current period. The major sources of revenue subject to accrual are property taxes and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid. All other revenue items are considered to be measurable and available only when cash is received.

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

The District reports the following major governmental funds:

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

The Conservation Trust Fund is used to account for the receipt and spending of lottery proceeds.

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs of the governmental funds.

When both restricted and unrestricted resources are available for use, restricted funds are used first, then unrestricted resources as they are needed.

**Budgets**

In accordance with the Local Government Budget Law of Colorado, the board of directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The 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. For the year ended December 31, 2023, supplementary appropriations approved by the District’s board of directors modified the appropriations in its General Fund and Debt Service Fund.

**Pooled Cash and Investments**

The District follows the practice of pooling cash 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 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 assess the property tax obligation of 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 at the taxpayers election, in equal installments in February and June. Delinquent taxpayers are notified in August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. Taxes collected are remitted monthly by the county treasurer.

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

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 inflows of resources related to 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 will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The revenue continues to be recognized when earned in the government-wide statements. There is 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.

**Fund Balances**

Fund balances for governmental funds may consist of five classifications based on the relative strength of spending constraints:

Nonspendable fund balance – the portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaids) or is legally or contractually required to be maintained intact.

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

Committed fund balance – the portion of fund balance constrained for specific purposes according to limitations imposed by the highest level of decision-making authorities, the board of directors, prior to the end of the current fiscal year. 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 above criteria.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, restricted funds are considered to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, amounts to have been spent first are considered to be out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the board of directors has provided otherwise in its commitment or assignment actions.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023**

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of net position:

|                                     |              |
|-------------------------------------|--------------|
| Cash and investments - unrestricted | \$ 1,210,494 |
| Cash and investments - restricted   | 1,102,187    |
|                                     | \$ 2,312,681 |

Cash and investments as of December 31, 2023 consist of the following:

|                                      |              |
|--------------------------------------|--------------|
| Deposits with financial institutions | \$ 1,039,130 |
| Investments                          | 1,273,551    |
|                                      | \$ 2,312,681 |

As of December 31, 2023, the District’s cash deposits had a bank balance and carrying balance of \$1,039,130.

**Cash Deposits**

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. The District does not have formal policies for deposits. None of their deposits were exposed to custodial credit risk.

**Investments**

The District has not adopted formal investment policies; however, it follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts and local government investment pools. None of the District’s investments are subject to custodial or concentration of credit risk.

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.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023**

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

Investments as of December 31, 2023 consist of the following:

| <u>Investment</u>                            | <u>Maturity</u>                 | <u>Net Asset Value</u> |
|--|---------------------------------|------------------------|
| Colorado Local Government Liquid Asset Trust |                                 |                        |
| COLOTRUST PLUS+                              | Weighted average under 60 days  | \$ 370,865             |
| COLOTRUST EDGE                               | Weighted average under one year | 902,686                |
|  |                                 | \$ 1,273,551           |

**COLOTRUST**

During 2023, the District invested in the Colorado Local Government Liquid Asset Trust (Colostrust), 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 Colostrust. The District invested in COLOTRUST PLUS+ (PLUS+) and COLOTRUST EDGE (EDGE), two of the three portfolios offered by Colostrust. PLUS+ operates similarly to a money market fund and each share is equal in value to \$1.00. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption notice period. EDGE is an enhanced cash, variable net asset value (NAV) fund that offers next-day liquidity. Allowable investments in the PLUS+ portfolio include U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. EDGE is an enhanced cash, variable net asset value fund that offers next-day liquidity. Edge investments consist of money market instruments and medium-term notes designed for the short to intermediate reserve and surplus funds of Colorado governments.

A designated custodial bank serves as custodian for Colostrust investment portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colostrust investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by Colostrust. PLUS+ is rated AAAM by S&P Global Ratings and EDGE is rated AAAf/S1 by Fitch Ratings.

Cash and investments of \$1,102,187 are restricted in the Debt Service Fund for servicing the District's loan (Note 4).

**Investment Valuation**

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023**

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

The District’s investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is estimated using the NAV per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in Colotrust at year end for which the investment evaluation was determined as follows.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of PLUS+ to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from \$1.00 per share. EDGE does not seek to maintain a stable NAV. EDGE initially established a \$10.00 transactional share price. The principal value of an EDGE investment may fluctuate and could be greater or less than the share price at price of purchase, prior to redemption and at the time of redemption.

**NOTE 4 – LONG-TERM OBLIGATIONS**

The following is an analysis of changes in long-term obligations for the year ended December 31, 2023:

|   | <b>Balance at<br/>December 31,<br/>2022</b> | <b>Additions</b> | <b>Retirements</b>  | <b>Balance at<br/>December 31,<br/>2023</b> | <b>Due Within<br/>One Year</b> |
|---|---|------------------|---------------------|---|--------------------------------|
| <b><u>Primary Government:</u></b>                 |   |                  |                     |   |                                |
| <i>Loans</i>                                      |   |                  |                     |   |                                |
| Series 2022                                       | \$ 57,195,000                               | \$ -             | \$ (235,000)        | \$ 56,960,000                               | \$ 470,000                     |
|   | <u>\$ 57,195,000</u>                        | <u>\$ -</u>      | <u>\$ (235,000)</u> | <u>\$ 56,960,000</u>                        | <u>\$ 470,000</u>              |
| <b><u>Component Unit:</u></b>                     |   |                  |                     |   |                                |
| <i>Bonded debt</i>                                |   |                  |                     |   |                                |
| General obligation limited tax bonds, Series 2022 | \$ 20,875,000                               | \$ -             | \$ -                | \$ 20,875,000                               | \$ -                           |

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

**\$57,195,000 Limited Tax General Obligation Refunding Loan, Series 2022**

On December 14, 2022, the District issued a Limited Tax General Obligation Refunding Loan, Series 2022 (Series 2022 Loan) in the principal amount of \$57,195,000. The Series 2022 Loan was issued for the purpose of refunding the District’s outstanding bond and loan obligations, paying the costs of issuance of the Series 2022 Loan, reducing interest costs and modifying certain contractual limitations. Principal payments are due on December 1. The Series 2022 Loan has a base fixed-rate interest of 5.00% subject to the default interest rate, taxable rate increase and post-maturity default interest rate (as discussed below) with a 30-year amortization and a December 1, 2032 maturity date. Interest is payable on June 1 and December 1.

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

The Series 2022 Loan is subject to redemption prior to maturity beginning January 1, 2024 at the option of the District, as a whole but not in part upon payment of par, accrued interest and a redemption premium of 3.0% prior to January 1, 2025, 2.0 % prior to January 1, 2026 and 1.0% prior to January 1, 2027.

The Series 2022 Loan is secured by and payable from pledged revenues consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy (as defined below), (2) the portion of the specific ownership taxes allocable to the amount of the Required Mill Levy and (3) any other legally available monies which the District determines in its sole discretion to treat as pledged revenue. The Required Mill Levy consists of an ad valorem mill levy imposed upon all taxable property of the District each year in an amount which, when combined with other pledged revenues, including any monies in the revenue fund not required to be applied to the payment of the Series 2022 Loan in the current year, will generate property tax revenues of not less than the debt requirements for the next fiscal year. The District's current maximum mill levy is 48.00 mills, subject to adjustments related to future changes in the method of calculating the District's assessed valuation.

When any payment of principal or interest on the Series 2022 Loan is not paid on the due date, such delinquent amount shall begin to accrue interest at the default interest rate. The default interest rate is the sum of the base interest rate (or the rate as deemed in the event of a taxable rate increase, as applicable), plus 3.00%.

The base interest rate will increase to 6.39% if a determination of taxability is received and when interest on the Series 2022 Loan is first includable in gross income of the lender. In addition, if any loan balance is not paid on the maturity date, the then-applicable interest rate on the Series 2022 Loan will increase by 3.00%.

Significant events of default under the Series 2022 Loan include (a) the District fails or refuses to impose the Required Mill Levy or to apply the pledge revenue as required by the Series 2022 Loan agreement, (b) failure to pay principal and interest when due, (c) failure to observe or perform any of the covenants, agreements, duties or conditions as outlined in the Series 2022 Loan agreement, (d) misrepresentation of facts on financial documents furnished to the lender, (e) failure to enforce collection of pledged revenue, (f) any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$100,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest, pay, or satisfy such judgment or court order for 30 days, (g) a change occurs in the financial or operating conditions of the District, or the occurrence of any other event that in the lender's reasonable judgment will have a materially adverse impact on the ability of the District to generate pledge revenue sufficient to satisfy the District's obligations and the District fails to cure such condition within the time specified by the lender, (h) legal proceedings including bankruptcy, insolvency, reorganization, etc. as described in the Series 2022 Loan agreement, (i) financial documentation that ceases to be valid and binding or is declared null and void, (j) the District initiates, acquires, or consents to any proceedings to dissolve itself or to consolidate itself, (k) any funds or investments on deposit in, or otherwise to the credit of any of the funds or accounts established become subject to any writ, judgement, warrant, attachment, execution or similar process.



**MERIDIAN RANCH METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023**

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

In addition to the application of the default interest rates, upon the occurrence and continuance of an event of default, the lender has the right to exercise any and all remedies available under the financing documents at law or in equity, including application of all amounts constituting collateral to the amounts due, in any order of priority as determined by the lender. Acceleration is not an available remedy for an event of default.

The District’s long-term obligation will mature as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|---------------------------------|----------------------|----------------------|----------------------|
| 2024                            | \$ 470,000           | \$ 2,848,000         | \$ 3,318,000         |
| 2025                            | 500,000              | 2,824,500            | 3,324,500            |
| 2026                            | 585,000              | 2,799,500            | 3,384,500            |
| 2027                            | 615,000              | 2,770,250            | 3,385,250            |
| 2028                            | 710,000              | 2,739,500            | 3,449,500            |
| 2029-2032                       | 54,080,000           | 10,574,750           | 64,654,750           |
|                                 | <u>\$ 56,960,000</u> | <u>\$ 24,556,500</u> | <u>\$ 81,516,500</u> |

**Authorized Debt**

On November 7, 2000, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$170,000,000 at an interest rate not to exceed 16.00% per annum. As of December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

|                                  | <u>Total<br/>Authorized</u> | <u>Remaining at<br/>December 31,<br/>2023</u> |
|----------------------------------|-----------------------------|---|
| Street improvements              | \$ 29,435,000               | \$ 6,942,496                                  |
| Water                            | 35,765,000                  | 6,982,144                                     |
| Sanitation                       | 7,320,000                   | -   |
| Safety protection                | 1,740,000                   | 1,603,467                                     |
| Park and recreation              | 7,620,000                   | -   |
| Mosquito control                 | 1,305,000                   | 1,305,000                                     |
| Television relay and translation | 1,055,000                   | 1,055,000                                     |
| Transportation                   | 260,000                     | 260,000                                       |
| Operations                       | 500,000                     | 235,193                                       |
| Refunding                        | 85,000,000                  | 36,531,700                                    |
|                                  | <u>\$ 170,000,000</u>       | <u>\$ 54,915,000</u>                          |

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

Per the service plan, the District is limited to issuing \$85,000,000 in refunding debt. In addition, the debt service mill levy for the District is capped at 50.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the Districts' service area.

The details of the Subdistrict's long-term obligation are as follows:

**\$20,875,000 General Obligation Limited Tax Bonds, Series 2022**

On December 21, 2022, the Subdistrict issued General Obligation Limited Tax Bonds (Series 2022 Bonds) in the principal amount of \$20,875,000. The Series 2022 Bonds were issued for the purpose of providing funds to (1) reimburse or pay for the costs of acquiring, constructing and installing public improvements related to development in the Subdistrict and (2) pay issuance and other costs in connection with the Series 2022 Bonds. Principal on the Series 2022 Bonds is due in varying amounts on December 1 from 2029 through 2052. The Series 2022 Bonds mature as follows: bonds totaling \$2,865,000 mature on December 1, 2037 (interest rate – 6.25%), bonds totaling \$3,310,000 mature on December 1, 2042 (interest rate – 6.50%) and the remaining bonds of \$14,700,000 mature on December 1, 2052 (interest rate of 6.75%). Interest on the Series 2022 Bonds is payable on June 1 and December 1.

The Series 2022 Bonds are subject to redemption prior to maturity beginning December 1, 2027, at the option of the Subdistrict, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities upon payment of par, accrued interest and a redemption premium equal to a percentage of the principal amount so redeemed, as follows: 3.0% prior to December 1, 2028, 2.0% prior to December 1, 2029 and 1.0% prior to December 1, 2030.

The Series 2022 Bonds are secured by and payable from pledged revenues consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy (as defined below), (2) the portion of the specific ownership taxes which is collected as a result of the imposition of the Required Mill Levy and (3) any other legally available monies which the Subdistrict determines to be treated as pledged revenue.

The Required Mill Levy is defined as the mill levy necessary to produce the amounts due, when combined with other pledged revenues, including any monies in the revenue fund not required to be applied to the payment of the Series 2022 Loan in the current year and reduced by the operations mill levy, to fund the bond fund for the relevant bond year and pay the Series 2022 Bonds as they become due. The operations mill levy for each year is the number of mills necessary to produce the dollar amount of the operations deduction. The operations deduction as determined by the Subdistrict for the levy year 2022 (for collection in 2023) is \$30,000 and is to be increased by 2% each levy year thereafter. The Subdistrict's current maximum mill levy is not to exceed 20 mills, subject to adjustments related to future changes in the method of calculating the Subdistrict's assessed valuation. The Subdistrict's mill levy cannot be less than 20 mills until such time as surplus funds are less than the required amounts.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023**

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

The required maximum surplus amount is \$4,175,000 prior to the surplus fund conversion date and \$2,087,500 thereafter. Any excess pledged revenues are to be applied to the surplus fund until it reaches the required maximum surplus amount. The surplus fund conversion date is the first date on which the debt to assessed ratio is 25% or less and no amounts of principal or interest on the Series 2022 Bonds are due but unpaid. As of December 31, 2023 the surplus account balance was \$2,718,623.

Significant events of default by the Subdistrict under the Series 2022 Bonds include (i) failure to impose or collect the Required Mill Levy or apply other available pledged revenues, (ii) defaults in the performance or observance of any of the covenants, agreements or conditions in the indenture or the bond resolution and (iii) legal proceedings are filed under federal bankruptcy laws seeking to adjust the obligation represented by the Series 2022 bonds.

Upon the occurrence and continuance of an event of default, the trustee of the Series 2022 Bonds may seek receivership, file a suit for judgment or initiate other actions or special proceedings to enforce the rights of the trustee and the bondholders as outlined in the bond resolution and agreement. Due to the limited nature of the pledged revenues, failure to pay the principal or interest on the Series 2022 Bonds when due is not in itself an event of default as stated in the bond resolution. In addition, acceleration of the Series 2022 Bonds shall not be an available remedy for an event of default.

The Subdistrict’s long-term obligation will mature as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|---------------------------------|----------------------|----------------------|----------------------|
| 2024                            | \$ -                 | \$ 1,386,463         | \$ 1,386,463         |
| 2025                            | -                    | 1,386,462            | 1,386,462            |
| 2026                            | -                    | 1,386,463            | 1,386,463            |
| 2027                            | -                    | 1,386,462            | 1,386,462            |
| 2028                            | -                    | 1,386,463            | 1,386,463            |
| 2029-2033                       | 1,125,000            | 6,834,811            | 7,959,811            |
| 2034-2038                       | 2,295,000            | 6,321,062            | 8,616,062            |
| 2039-2043                       | 3,595,000            | 5,429,900            | 9,024,900            |
| 2044-2048                       | 5,505,000            | 3,994,989            | 9,499,989            |
| 2049-2052                       | 8,355,000            | 1,663,537            | 10,018,537           |
|                                 | <u>\$ 20,875,000</u> | <u>\$ 31,176,612</u> | <u>\$ 52,051,612</u> |

**Authorized Debt**

On November 6, 2018, a majority of the qualified electors of the Subdistrict authorized the issuance of indebtedness in an amount not to exceed \$189,000,000 at an interest rate not to exceed 12.00% per annum.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023**

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

As of December 31, 2023, the Subdistrict had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

|                                  | <b>Total<br/>Authorized</b> | <b>Remaining at<br/>December 31,<br/>2023</b> |
|----------------------------------|-----------------------------|---|
| Street improvements              | \$ 29,435,000               | \$ 6,942,496                                  |
| Water                            | 35,765,000                  | 6,982,144                                     |
| Sanitation                       | 7,320,000                   | -   |
| Safety protection                | 1,740,000                   | 1,603,467                                     |
| Park and recreation              | 7,620,000                   | -   |
| Mosquito control                 | 1,305,000                   | 1,305,000                                     |
| Television relay and translation | 1,055,000                   | 1,055,000                                     |
| Transportation                   | 260,000                     | 260,000                                       |
| Operations                       | 500,000                     | 235,193                                       |
| Refunding                        | 85,000,000                  | 36,531,700                                    |
|                                  | <u>\$ 170,000,000</u>       | <u>\$ 54,915,000</u>                          |

As a component unit of the District, the Subdistrict is subject to the debt limitations and maximum debt service mill levy as set forth the service plan of the District (see Note 8 below).

**NOTE 5 – FUND EQUITY**

As of December 31, 2023, the classifications of fund equity are as follows:

Nonspendable fund balance

The amount of \$5,576 represents prepaid expenditures for the ensuing fiscal year and is therefore not in a spendable form.

Assigned fund balance

The assigned fund balance in the General Fund in the amount of \$48,655 is assigned for subsequent year's expenditures.

Restricted fund balances

The amount of \$4,000 in the General Fund is comprised of the emergency reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11). The amount of \$1,123,509 in the Debt Service Fund is to be used exclusively for future payment of loan principal, interest and related costs (see Note 4).

Unassigned fund balance

The unassigned fund balance in the General Fund is \$1,184,680.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023**

**NOTE 6 – NET POSITION (DEFICIT)**

Net position consists of two components - restricted and unrestricted.

Restricted net position includes net position that is restricted for use either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted net position as of December 31, 2023 are as follows:

Restricted net position:

|  |          |
|--|----------|
| TABOR emergency reserves (see Note 11) | \$ 4,000 |
|  | \$ 4,000 |

The District’s unrestricted net deficit as of December 31, 2023, totaled \$54,834,913. This deficit amount is primarily a result of the District being responsible for the financing and repayment of debt issued for public improvements constructed by Meridian Service pursuant to an intergovernmental agreement dated July 17, 2001.

**NOTE 7 –AGREEMENTS**

Pursuant to a facilities fee agreement dated January 18, 2006, entered into between the District and GTL Development, Inc., GTL Development, Inc. has agreed to guarantee the payment of any shortfall in scheduled collections of facilities fees by Meridian Service. Any shortfall not paid per the required payment date is subject to simple interest, from the due date, at a percentage rate of 12% per annum. During 2023, there were no payments received in connection with this agreement.

**NOTE 8– INTERGOVERNMENTAL AGREEMENTS**

**2001 Intergovernmental Agreement**

The District entered into an Intergovernmental Agreement with Meridian Service on July 17, 2001 (2001 IGA), as amended on March 26, 2013, to set forth rights and obligations of the Districts pursuant to their respective service plans. The Districts agreed that the facilities described in the service plans were needed by the District and that such facilities would benefit the residents and property owners in both Districts in terms of cost, quality and level of service.

Each of the Districts agreed that Meridian Service would own (subject to potential transfer to other governmental entities or authorities) operate, maintain and construct facilities benefiting both Districts and that the District would contribute to the costs of construction, operation and maintenance of such facilities through the issuance of bonds or a pledge of its ad valorem tax revenues. During 2023, the District transferred \$4,645,603 to Meridian Service for the costs of constructing and maintaining certain facilities and repayment of developer advances.

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 8 –INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

The District issued limited tax general obligation bonds to meet its obligations as required under the 2001 IGA, the proceeds of which were transferred to Meridian Service. To assist in the repayment of the District's debt, Meridian Service is required to transfer revenue collected from facilities fees and/or user fees to the District (except for Latigo Trails tap fees). Under the 2001 IGA, such fees were established by Meridian Service. The 2013 amendment to the 2001 IGA allows each of the Districts to establish, revise, impose and collect fees and charges as permitted by Colorado Law for payment of debt obligations and facilities, operations and maintenance services. During 2023, the District recorded a transfer of \$1,000,000 from Meridian Service to assist in the repayment of debt issued by the District. The District also agreed to transfer Conservation Trust Fund collections to Meridian Service to be used by Meridian Service for eligible projects. During 2023, The District transferred \$62,832 to Meridian Service as required under the 2001 IGA.

**2019 Intergovernmental Agreement Between Meridian Service Metropolitan District, Meridian Ranch Metropolitan District and Meridian Ranch Metropolitan District 2018 Subdistrict Regarding Subdistrict Infrastructure and Administrative Services**

The District, Meridian Service and the Subdistrict entered into an intergovernmental agreement dated May 8, 2019 (2019 IGA) to provide Meridian Service with the responsibility for the construction, operation and maintenance of public improvements within the Subdistrict. The Subdistrict's responsibility was to obtain the financing for such improvements (the Subdistrict issued bonds in 2022 - see Note 4). Upon completion of construction, the Subdistrict is to convey all of the public improvements to Meridian Service and Meridian Service will be solely responsible for the operation, maintenance, insurance and repair of the improvements following the conveyance. As an additional consideration for the financing to be provided by the Subdistrict for the improvements, and the conveyance thereof, Meridian Service will provide administrative services as provided for in the 2019 IGA at no cost to the Subdistrict.

**Intergovernmental Agreement Regarding Maximum Debt Service Mill Levy and Additional Debt Obligations**

The District and Subdistrict entered into an intergovernmental agreement dated December 14, 2022 (2022 IGA) in order to 1) limit the number of mills that the District and the Subdistrict may impose for the payment of general obligation indebtedness, 2) facilitate the 2022 issuance of debt obligations by District and the Subdistrict and any additional general obligations of either such party in the future (payable from the debt service mill levy) and 3) limit the issuance of additional indebtedness by the District and the Subdistrict.

In accordance with the service plan, the ad valorem property taxes imposed by the District and the Subdistrict for the payment of debt obligations may not exceed, in the aggregate, the maximum mill levy cap as defined in the service plan. As a result, the number of mills available to be pledged by the District and Subdistrict for payment of the District's Series 2022 Loan and Subdistrict Series 2022 Bonds is limited to 70.07 mills, subject to adjustment as described in the service plan.

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 8 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

The 2022 IGA provides that the District may issue a Series 2022 Note and the Subdistrict may issue Series 2022 Bonds and neither district may issue any refunding obligations thereof without the prior written consent of the other district. Each of the districts covenant that for so long as the 2022 debt obligations or any refunding obligations of either district is outstanding, it will not issue or incur any additional debt obligations without the consent of the other district, provided, however, that the districts may issue additional debt obligations without the prior written consent of the other district so long as the maximum debt service mill levy pledged for the repayment of such additional debt obligations is equal to or less than 48 mills for the District and equal to or less than 20 mills for the Subdistrict (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, as of collection year 2023, at which such time the residential assessment rate is 6.95%), provided however, that if, on or after collection year 2023, there are further changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the maximum mill levy provided will be increased or decreased to reflect such changes, such increases or decreases are to be determined by the District’s board of directors in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

The effective date of the 2022 IGA commenced on the date of the issuance of the Subdistrict’s Series 2022 Bonds (December 21, 2022) and ends on the date upon which all debt obligations issued by the Subdistrict have been defeased or paid in full.

The occurrence or existence of any one or more of the following events shall be an event of default under the 2022 IGA and includes 1) untrue or incomplete representations made by either party that would have a material adverse effect upon the other party, 2) failure in the performance of any other of the covenants in the 2022 IGA that continues for sixty days after written notice and 3) commencement of any case, proceeding or other actions as outlined in the 2022 IGA.

Upon the occurrence and continuance of an event of default, any party may proceed to protect and enforce its rights against the party causing the event of default through suit, action or other proceedings in equity or at law as outlined in the 2022 IGA.

**NOTE 9 – RELATED PARTIES**

Some of the members of the District’s board of directors are affiliated with or are employees of developers of land within the District. These members may have conflicts of interest with respect to certain transactions which come before the board. In addition, the District and Subdistrict have the same board members.

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 10 – RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, the District and Subdistrict may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**NOTE 11 – TAX, SPENDING AND DEBT LIMITATION**

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

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.

On November 7, 2000, a majority of the District's electors authorized the District to collect and spend or retain in a reserve any and all revenues annually from any revenue sources other than ad valorem taxes of the District with regard to any limitations under TABOR. On November 6, 2018, a majority of the Subdistrict's electors authorized the Subdistrict to collect and spend or retain in a reserve any and all revenues annually from any revenue sources other than ad valorem taxes of the Subdistrict with regard to any limitations under TABOR.

The management of both the District and the Subdistrict believe they are in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an Enterprise will require judicial interpretation.

This information is an integral part of the accompanying financial statements.



## **SUPPLEMENTARY INFORMATION**

**MERIDIAN RANCH METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended December 31, 2023**

|  | <u>Budget Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-----------------------|---------------------|---------------------------|---|
|  | <u>Original</u>       | <u>Final</u>        |                           |   |
| <b>REVENUES</b>  |                       |                     |                           |   |
| Property taxes   | \$ 2,683,809          | \$ 2,683,809        | \$ 2,685,442              | \$ 1,633  |
| Specific ownership taxes   | 230,926               | 281,000             | 281,000                   | -   |
| Interest   | 15,000                | 96,000              | 96,561                    | 561   |
| Total revenues   | <u>2,929,735</u>      | <u>3,060,809</u>    | <u>3,063,003</u>          | <u>2,194</u>  |
| <b>EXPENDITURES</b>  |                       |                     |                           |   |
| <u>General</u>   |                       |                     |                           |   |
| County treasurer fees  | 40,257                | 40,257              | 40,311                    | (54)  |
| Miscellaneous  | 1,000                 | 1,600               | 1,601                     | (1)   |
| <u>Debt service</u>  |                       |                     |                           |   |
| G.O. refunding loan 2022 - principal                                       | 235,000               | 235,000             | 235,000                   | -   |
| G.O. refunding loan 2022 - interest  | 2,756,481             | 2,756,481           | 2,756,481                 | -   |
| Paying agent fees  | 1,000                 | 4,500               | 4,406                     | 94  |
| Total expenditures   | <u>3,033,738</u>      | <u>3,037,838</u>    | <u>3,037,799</u>          | <u>39</u>   |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b>                    | <u>(104,003)</u>      | <u>22,971</u>       | <u>25,204</u>             | <u>2,233</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                      |                       |                     |                           |   |
| Intergovernmental revenues - Meridian Service<br>Metropolitan District     | 1,000,000             | 1,000,000           | 1,000,000                 | -   |
| Intergovernmental expenditures - Meridian Service<br>Metropolitan District | <u>(4,500,000)</u>    | <u>(4,650,000)</u>  | <u>(4,645,603)</u>        | <u>4,397</u>  |
| Total other financing sources (uses)                                       | <u>(3,500,000)</u>    | <u>(3,650,000)</u>  | <u>(3,645,603)</u>        | <u>4,397</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>  | (3,604,003)           | (3,627,029)         | (3,620,399)               | 6,630   |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>                                    | <u>6,464,495</u>      | <u>4,743,908</u>    | <u>4,743,908</u>          | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>  | <u>\$ 2,860,492</u>   | <u>\$ 1,116,879</u> | <u>\$ 1,123,509</u>       | <u>\$ 6,630</u>   |

## **OTHER INFORMATION**

**MERIDIAN RANCH METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2023**

**\$57,195,000 Series 2022  
Limited Tax General Obligation Loan  
Dated December 14, 2022  
Interest Rate of 5.00%  
12/1/32 Balloon Maturity  
Interest Due June 1 and December 1  
Principal Due December 1**

|      | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|------|----------------------|----------------------|----------------------|
| 2024 | \$ 470,000           | \$ 2,848,000         | \$ 3,318,000         |
| 2025 | 500,000              | 2,824,500            | 3,324,500            |
| 2026 | 585,000              | 2,799,500            | 3,384,500            |
| 2027 | 615,000              | 2,770,250            | 3,385,250            |
| 2028 | 710,000              | 2,739,500            | 3,449,500            |
| 2029 | 745,000              | 2,704,000            | 3,449,000            |
| 2030 | 850,000              | 2,666,750            | 3,516,750            |
| 2031 | 890,000              | 2,624,250            | 3,514,250            |
| 2032 | 51,595,000           | 2,579,750            | 54,174,750           |
|      | <u>\$ 56,960,000</u> | <u>\$ 24,556,500</u> | <u>\$ 81,516,500</u> |

**MERIDIAN RANCH METROPOLITAN DISTRICT  
 MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT  
 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**December 31, 2023**

**\$20,875,000 Series 2022**

**General Obligation Limited Tax Bonds**

**Dated December 21, 2022**

**Interest Rates 6.25% - 6.75%**

**Interest Due June 1 and December 1**

**Principal Due December 1**

|      | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|------|----------------------|----------------------|----------------------|
| 2024 | \$ -                 | \$ 1,386,463         | \$ 1,386,463         |
| 2025 | -                    | 1,386,462            | 1,386,462            |
| 2026 | -                    | 1,386,463            | 1,386,463            |
| 2027 | -                    | 1,386,462            | 1,386,462            |
| 2028 | -                    | 1,386,463            | 1,386,463            |
| 2029 | 40,000               | 1,386,462            | 1,426,462            |
| 2030 | 190,000              | 1,383,963            | 1,573,963            |
| 2031 | 260,000              | 1,372,087            | 1,632,087            |
| 2032 | 310,000              | 1,355,837            | 1,665,837            |
| 2033 | 325,000              | 1,336,462            | 1,661,462            |
| 2034 | 380,000              | 1,316,150            | 1,696,150            |
| 2035 | 405,000              | 1,292,400            | 1,697,400            |
| 2036 | 465,000              | 1,267,087            | 1,732,087            |
| 2037 | 490,000              | 1,238,025            | 1,728,025            |
| 2038 | 555,000              | 1,207,400            | 1,762,400            |
| 2039 | 590,000              | 1,171,325            | 1,761,325            |
| 2040 | 665,000              | 1,132,975            | 1,797,975            |
| 2041 | 710,000              | 1,089,750            | 1,799,750            |
| 2042 | 790,000              | 1,043,600            | 1,833,600            |
| 2043 | 840,000              | 992,250              | 1,832,250            |
| 2044 | 935,000              | 935,550              | 1,870,550            |
| 2045 | 1,000,000            | 872,438              | 1,872,438            |
| 2046 | 1,100,000            | 804,938              | 1,904,938            |
| 2047 | 1,175,000            | 730,688              | 1,905,688            |
| 2048 | 1,295,000            | 651,375              | 1,946,375            |
| 2049 | 1,380,000            | 563,962              | 1,943,962            |
| 2050 | 1,510,000            | 470,812              | 1,980,812            |
| 2051 | 1,615,000            | 368,888              | 1,983,888            |
| 2052 | 3,850,000            | 259,875              | 4,109,875            |
|      | <u>\$ 20,875,000</u> | <u>\$ 31,176,612</u> | <u>\$ 52,051,612</u> |

**MERIDIAN RANCH METROPOLITAN DISTRICT  
SUMMARY OF ASSESSED VALUATION,  
MILL LEVY AND PROPERTY TAXES COLLECTED  
December 31, 2023**

**Primary Government**

| Year Ended<br>December 31,                            | Prior<br>Year Assessed<br>Valuation<br>for Current<br>Year Property<br>Tax Levy | Mills Levied for |              | Total Property Taxes |              | Percentage<br>Collected<br>to Levied |
|---|---|------------------|--------------|----------------------|--------------|--------------------------------------|
|   |   | General          | Debt Service | Levied               | Collected    |                                      |
|   |   |                  |              |                      |              |                                      |
| 2013  | \$ 29,753,280   | 5.000            | 20.000       | \$ 743,832           | \$ 743,742   | 99.99%                               |
| 2014  | \$ 31,142,120   | 5.000            | 20.000       | \$ 778,553           | \$ 778,385   | 99.98%                               |
| 2015  | \$ 34,296,400   | 5.000            | 20.000       | \$ 857,410           | \$ 855,766   | 99.81%                               |
| 2016  | \$ 40,482,280   | 5.000            | 20.000       | \$ 1,012,057         | \$ 1,011,847 | 99.98%                               |
| 2017  | \$ 46,161,800   | 5.000            | 20.000       | \$ 1,154,045         | \$ 1,152,815 | 99.89%                               |
| 2018  | \$ 51,952,220   | 5.500            | 21.998       | \$ 1,428,582         | \$ 1,428,881 | 100.02%                              |
| 2019  | \$ 60,871,200   | 5.500            | 21.998       | \$ 1,673,836         | \$ 1,656,327 | 98.95%                               |
| 2020  | \$ 73,253,360   | 5.500            | 21.998       | \$ 2,014,321         | \$ 2,014,059 | 99.99%                               |
| 2021  | \$ 78,587,920   | 5.500            | 21.998       | \$ 2,161,011         | \$ 2,160,734 | 99.99%                               |
| 2022  | \$ 97,902,950   | 5.500            | 21.998       | \$ 2,692,135         | \$ 2,691,724 | 99.98%                               |
| 2023  | \$ 103,231,360  | 5.500            | 25.998       | \$ 3,251,581         | \$ 3,253,503 | 100.06%                              |
| Estimated for<br>the year ending<br>December 31, 2024 | \$ 139,002,330  | 4.315            | 26.519       | \$ 4,285,998         |              |                                      |

**Component Unit**


| Year Ended<br>December 31,                               | Prior<br>Year Assessed<br>Valuation<br>for Current<br>Year Property<br>Tax Levy | Mills Levied for |              | Total Property Taxes |            | Percentage<br>Collected<br>to Levied |
|--|---|------------------|--------------|----------------------|------------|--------------------------------------|
|  |   | General          | Debt Service | Levied               | Collected  |                                      |
|  |   |                  |              |                      |            |                                      |
| 2018   | \$ -  | 0.000            | 0.000        | \$ -                 | \$ -       | 0.00%                                |
| 2019   | \$ 605,750  | 10.000           | 0.000        | \$ 6,058             | \$ 6,058   | 100.00%                              |
| 2020   | \$ 2,535,620  | 10.000           | 0.000        | \$ 25,356            | \$ 25,360  | 100.02%                              |
| 2021   | \$ 5,714,660  | 10.000           | 0.000        | \$ 57,147            | \$ 57,022  | 99.78%                               |
| 2022   | \$ 14,594,460   | 10.000           | 0.000        | \$ 145,944           | \$ 145,944 | 100.00%                              |
| 2023   | \$ 21,102,010   | 0.000            | 20.000       | \$ 422,040           | \$ 422,041 | 100.00%                              |
| Estimated for<br>the year ending<br>December 31,<br>2024 | \$ 35,268,070   | 0.000            | 20.000       | \$ 705,361           |            |                                      |


**NOTE:**

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.



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September 3, 2024

To the Board of Directors of  
Meridian Ranch Metro District

We have audited the financial statements of the governmental activities, the discretely presented component unit, and each major fund of Meridian Ranch Metro District (the “District”) for the year ended December 31, 2023, and have issued our report thereon dated September 3, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Meridian Ranch Metro District are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2023. We noted no transactions entered into by District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant accounting estimates noted in 2023.

The disclosures in the financial statements are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements noted.

##### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

##### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 3, 2024.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We were engaged to report on the supplementary information, as listed in the table of contents, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information, as listed in the table of contents, which accompanies the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### Restricted on Use

This information is intended solely for the use of the Board of Directors of and management of Meridian Ranch Metro District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Haynie & Company*



September 3, 2024

Haynie & Company  
1221 West Mineral Avenue, Suite 202  
Littleton, CO 80120

This representation letter is provided in connection with your audit of the financial statements of Meridian Ranch Metro District, which comprise the respective financial position of the governmental activities, the aggregate discretely presented component unit, and each major fund, as of December 31, 2023, and the respective changes in financial position, respective budgetary comparison schedules and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 3, 2024, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 1, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria .
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures and appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Meridian Ranch Metro District is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 10) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, (including information obtained from outside of the general

and subsidiary ledgers) documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.

- b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Meridian Ranch Metro District from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of Meridian Ranch Metro District or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Meridian Ranch Metro District and involves:
- Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Meridian Ranch Metro District's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessment.
- 17) We have disclosed to you the identity of the Meridian Ranch Metro District's related parties and all the related party relationships and transactions of which we are aware.

#### **Government—Specific**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Meridian Ranch Metro District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have not identified any leases/subscription-based IT arrangements to be recorded or disclosed under GASBS No. 87 /GASBS No. 96.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

- 25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) The Meridian Ranch Metro District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Meridian Ranch Metro District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements properly classify all funds and activities, in accordance with [GASB Statement No. 34](#) .
- 30) All funds that meet the quantitative criteria in [GASB Statement Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 32) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 39) We have appropriately disclosed the Meridian Ranch Metro District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 41) With respect to supplementary information:
  - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 42) With respect to the other information:
  - a) We acknowledge that we have informed you of all documents that may comprise other information we expect to issue. The financial statements and other information you obtained prior to the auditors' report

date are consistent with one another, and the other information does not contain any material misstatements.

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

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**DRAFT 9/3/24**

**MERIDIAN RANCH METROPOLITAN DISTRICT  
2018 SUBDISTRICT  
(A Component Unit of Meridian Ranch Metropolitan District)  
El Paso County, Colorado**

**FINANCIAL STATEMENTS  
December 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Meridian Ranch Metro District 2018 Subdistrict

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Meridian Ranch Metro District 2018 Subdistrict ("the Subdistrict"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Subdistrict'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 the Meridian Ranch Metro District 2018 Subdistrict, as of December 31, 2023, 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.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Meridian Ranch Metro District 2018 Subdistrict and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Meridian Ranch Metro District 2018 Subdistrict'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.

### Auditors' Responsibilities 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 auditors' report that includes our opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Subdistrict'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 Meridian Ranch Metro District 2018 Subdistrict'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 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 Meridian Ranch Metro District 2018 Subdistrict's basic financial statements as a whole. The Schedule of Revenues, Expenditures and Change in Fund Balance – Debt Service and Improvements Fund – Budget and Actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures and Change in Fund Balance – Debt Service and Improvements Fund – Budget and Actual 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 report. The other information comprises the Schedule of Debt Service Requirements to Maturity and the Summary of Assessed Valuation, Mill Levy and Property Taxes Collected. 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.

*Haynie & Company*

Littleton, Colorado  
September 3, 2024

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## **BASIC FINANCIAL STATEMENTS**

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION (DEFICIT)**  
**December 31, 2023**

|   | <u>General</u>    | <u>Debt Service and<br/>Improvements<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> | <u>Adjustments<br/>(Note 11)</u> | <u>Statement of<br/>Net Position</u> |
|---|-------------------|---|---|----------------------------------|--------------------------------------|
| <b>ASSETS</b>   |                   |   |   |                                  |                                      |
| Cash and investments - unrestricted   | \$ 272,947        | \$ -  | \$ 272,947                              | \$ -                             | \$ 272,947                           |
| Cash and investments - restricted   | -                 | 20,028,833  | 20,028,833                              | -                                | 20,028,833                           |
| Receivable from county treasurer  | -                 | 3,395   | 3,395                                   | -                                | 3,395                                |
| Property taxes receivable   | -                 | 705,361   | 705,361                                 | -                                | 705,361                              |
| Total assets  | <u>\$ 272,947</u> | <u>\$ 20,737,589</u>                              | <u>\$ 21,010,536</u>                    | <u>\$ -</u>                      | <u>\$ 21,010,536</u>                 |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b>       |                   |   |   |                                  |                                      |
| <b>LIABILITIES</b>  |                   |   |   |                                  |                                      |
| Interest payable  | \$ -              | \$ -  | \$ -                                    | \$ 115,539                       | \$ 115,539                           |
| Due to primary government   | 41,368            | -   | 41,368                                  | -                                | 41,368                               |
| Due to Meridian Service MD  | -                 | 443,044   | 443,044                                 | -                                | 443,044                              |
| Bonds payable   |                   |   |   |                                  |                                      |
| Due in more than one year   | -                 | -   | -                                       | 20,875,000                       | 20,875,000                           |
| Total liabilities   | <u>41,368</u>     | <u>443,044</u>                                    | <u>484,412</u>                          | <u>20,990,539</u>                | <u>21,474,951</u>                    |
| <b>DEFERRED INFLOW OF RESOURCES</b>   |                   |   |   |                                  |                                      |
| Deferred property tax revenue   | -                 | 705,361   | 705,361                                 | -                                | 705,361                              |
| Total deferred inflows of resources   | <u>-</u>          | <u>705,361</u>                                    | <u>705,361</u>                          | <u>-</u>                         | <u>705,361</u>                       |
| <b>FUND BALANCES</b>  |                   |   |   |                                  |                                      |
| Restricted for:   |                   |   |   |                                  |                                      |
| Emergency reserves  | 1,500             | -   | 1,500                                   | (1,500)                          | -                                    |
| Debt service and improvements   | -                 | 19,589,184  | 19,589,184                              | (19,589,184)                     | -                                    |
| Unrestricted  | 230,079           | -   | 230,079                                 | (230,079)                        | -                                    |
| Total fund balances   | <u>231,579</u>    | <u>19,589,184</u>                                 | <u>19,820,763</u>                       | <u>(19,820,763)</u>              | <u>-</u>                             |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> |                   |   |   |                                  |                                      |
|   | <u>\$ 272,947</u> | <u>\$ 20,737,589</u>                              | <u>\$ 21,010,536</u>                    |                                  |                                      |
| <b>NET POSITION (DEFICIT)</b>   |                   |   |   |                                  |                                      |
| Restricted for:   |                   |   |   |                                  |                                      |
| Emergencies   |                   |   |   | 1,500                            | 1,500                                |
| Unrestricted  |                   |   |   | (1,171,276)                      | (1,171,276)                          |
| Total net position (deficit)  |                   |   |   | <u>\$ (1,169,776)</u>            | <u>\$ (1,169,776)</u>                |

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2023**

|  | <u>General</u>    | <u>Debt Service and<br/>Improvements<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> | <u>Adjustments<br/>(Note 11)</u> | <u>Statement of<br/>Activities</u> |
|--|-------------------|---|---|----------------------------------|------------------------------------|
| <b>EXPENDITURES/EXPENSES</b>                                   |                   |   |   |                                  |                                    |
| <u>General</u>   |                   |   |   |                                  |                                    |
| District management and accounting                             | \$ 20,031         | \$ -  | \$ 20,031                               | \$ -                             | \$ 20,031                          |
| Audit  | 25,774            | -   | 25,774                                  | -                                | 25,774                             |
| County treasurer fees  | -                 | 6,335   | 6,335                                   | -                                | 6,335                              |
| Election   | 1,835             | -   | 1,835                                   | -                                | 1,835                              |
| Insurance  | 150               | -   | 150                                     | -                                | 150                                |
| <u>Debt service and improvements</u>                           |                   |   |   |                                  |                                    |
| Bond interest - Series 2022                                    | -                 | 1,309,437   | 1,309,437                               | 77,553                           | 1,386,990                          |
| Paying agent and cash management fees                          | -                 | 49,252  | 49,252                                  | -                                | 49,252                             |
| Transfer to Meridian Service MD                                | -                 | 443,044   | 443,044                                 | -                                | 443,044                            |
| <b>Total expenditures/expenses</b>                             | <u>47,790</u>     | <u>1,808,068</u>                                  | <u>1,855,858</u>                        | <u>77,553</u>                    | <u>1,933,411</u>                   |
| <b>REVENUES</b>  |                   |   |   |                                  |                                    |
| <u>General revenues</u>  |                   |   |   |                                  |                                    |
| Property taxes   | -                 | 422,041   | 422,041                                 | -                                | 422,041                            |
| Specific ownership taxes                                       | -                 | 44,191  | 44,191                                  | -                                | 44,191                             |
| Interest   | 16,173            | 988,397   | 1,004,570                               | -                                | 1,004,570                          |
| <b>Total revenues</b>  | <u>16,173</u>     | <u>1,454,629</u>                                  | <u>1,470,802</u>                        | <u>-</u>                         | <u>1,470,802</u>                   |
| <b>EXCESS OF EXPENDITURES OVER REVENUES</b>                    |                   |   |   |                                  |                                    |
|  | <u>(31,617)</u>   | <u>(353,439)</u>                                  | <u>(385,056)</u>                        | <u>(77,553)</u>                  | <u>(462,609)</u>                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                          |                   |   |   |                                  |                                    |
| Transfer (to) from other funds                                 | 10,000            | (10,000)  | -                                       | -                                | -                                  |
| Transfer from Meridian Service MD                              | 30,000            | -   | 30,000                                  | -                                | 30,000                             |
| Total other financing sources (uses)                           | <u>40,000</u>     | <u>(10,000)</u>                                   | <u>30,000</u>                           | <u>-</u>                         | <u>30,000</u>                      |
| <b>NET CHANGE IN FUND BALANCES / NET POSITION (DEFICIT)</b>    | 8,383             | (363,439)   | (355,056)                               | (77,553)                         | (432,609)                          |
| <b>FUND BALANCE / NET POSITION (DEFICIT) BEGINNING OF YEAR</b> | 223,196           | 19,952,623  | 20,175,819                              | (20,912,986)                     | (737,167)                          |
| <b>END OF YEAR</b>   | <u>\$ 231,579</u> | <u>\$ 19,589,184</u>                              | <u>\$ 19,820,763</u>                    | <u>\$ (20,990,539)</u>           | <u>\$ (1,169,776)</u>              |

These financial statements should be read only in connection with the accompanying notes to financial statements.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**

|  | <u>Budget Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-----------------------|-------------------|---------------------------|---|
|  | <u>Original</u>       | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                                  |                       |                   |                           |   |
| Interest   | \$ 500                | \$ 16,100         | \$ 16,173                 | \$ 73   |
| Total revenues                                   | <u>500</u>            | <u>16,100</u>     | <u>16,173</u>             | <u>73</u>   |
| <b>EXPENDITURES</b>                              |                       |                   |                           |   |
| District management and accounting               | 5,000                 | 20,000            | 20,031                    | (31)  |
| Audit  | 10,000                | 26,000            | 25,774                    | 226   |
| Election   | 12,000                | 1,900             | 1,835                     | 65  |
| Insurance  | -                     | 200               | 150                       | 50  |
| Legal  | 1,000                 | -                 | -                         | -   |
| Miscellaneous                                    | 500                   | -                 | -                         | -   |
| Emergency reserve                                | 860                   | -                 | -                         | -   |
| Total expenditures                               | <u>29,360</u>         | <u>48,100</u>     | <u>47,790</u>             | <u>310</u>  |
| <b>EXCESS OF EXPENDITURES OVER<br/>REVENUES</b>  |                       |                   |                           |   |
|  | <u>(28,860)</u>       | <u>(32,000)</u>   | <u>(31,617)</u>           | <u>383</u>  |
| <b>OTHER FINANCING SOURCES</b>                   |                       |                   |                           |   |
| Transfer from Debt Service and Improvements Fund | -                     | 10,000            | 10,000                    | -   |
| Transfer from Meridian Service MD                | 30,000                | 30,000            | 30,000                    | -   |
| Total other financing sources                    | <u>30,000</u>         | <u>40,000</u>     | <u>40,000</u>             | <u>-</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                | 1,140                 | 8,000             | 8,383                     | 383   |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>          | <u>209,454</u>        | <u>223,196</u>    | <u>223,196</u>            | <u>-</u>  |
| <b>FUND BALANCE - END OF YEAR</b>                | <u>\$ 210,594</u>     | <u>\$ 231,196</u> | <u>\$ 231,579</u>         | <u>\$ 383</u>   |

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

On July 11, 2018, the Meridian Ranch Metropolitan District 2018 Subdistrict (Subdistrict) was established pursuant to the applicable provisions under the Colorado revised statutes of the Colorado General Assembly. The Subdistrict was created in order to: 1) allow the Subdistrict to incur debt and impose taxes, 2) provide the resources required for the significant additional improvements necessary to fully develop approximately 855 acres of property included in the Subdistrict and 3) to provide the necessary services specific to and benefitting such property. The Subdistrict is a quasi-municipal corporation and political subdivision of the State duly organized and existing as a special district under the constitution and laws of the State of Colorado.

The Subdistrict 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 Subdistrict is considered to be a component unit of Meridian Ranch Metropolitan District (Meridian Ranch) and is included as a discretely presented component unit in the basic financial statements of Meridian Ranch. Pursuant to the Special District Act, the Subdistrict is subject to Meridian Ranch's service plan and debt limitations. In addition, an intergovernmental agreement between the District and the Subdistrict provides for, among other things, limitations related to the mill levy and the issuance of additional indebtedness for the District and Subdistrict. Only the accounts of the Subdistrict are included herein; these financial statements do not purport to represent the position or results of operations of Meridian Ranch.

The Subdistrict has no employees and all operation and administrative functions are contracted.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the Subdistrict 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 Subdistrict. For the most part, the effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business type activities, which rely to a significant extent on fees and charges for support.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

The statement of net position reports all financial and capital resources of the Subdistrict. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of the Subdistrict 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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Expenditures for property and equipment are shown as increases in assets and redemptions of bonds, notes and developer advances are recorded as 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 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 Subdistrict considers revenues to be available if they are collected within 60 days of the end of the current period. The major sources of revenue subject to accrual are property taxes and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid. All other revenue items are considered to be measurable and available only when cash is received by the Subdistrict.

The Subdistrict reports the following major governmental funds:

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

The Debt Service and Improvements Fund is used to account for all financial resources that are restricted, committed or assigned for debt repayment and capital projects.

When both restricted and unrestricted resources are available for use, it is the Subdistrict's policy to use restricted first, then unrestricted resources as they are needed.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

**Budgets**

In accordance with the Local Government Budget Law of Colorado, the Subdistrict’s board of directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The Subdistrict’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. For the year ended December 31, 2023, supplementary appropriations approved by the Subdistrict’s board of directors modified the appropriations in its General Fund.

**Pooled Cash and Investments**

The Subdistrict follows the practice of pooling cash 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 Subdistrict 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 assess the property tax obligation of 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 at the taxpayers election, in equal installments in February and June. Delinquent taxpayers are notified in August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The county treasurer remits the taxes collected monthly to the Subdistrict.

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 inflows of resources related to 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 will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The revenue continues to be recognized when earned in the government-wide statements. The Subdistrict has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.



**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

**Fund Balances**

The Subdistrict’s governmental fund balances may consist of five classifications based on the relative strength of spending constraints:

Nonspendable fund balance – the portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaids) or is legally or contractually required to be maintained intact.

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

Committed fund balance – the portion of fund balance constrained for specific purposes according to limitations imposed by the Subdistrict’s highest level of decision making authority, the board of directors prior to the end of the current fiscal year. 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 above criteria.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Subdistrict considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Subdistrict considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Subdistrict board of directors has provided otherwise in its commitment or assignment actions.

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023 are classified in the accompanying financial statement as follows:

Statement of net position:

|                                     |    |               |
|-------------------------------------|----|---------------|
| Cash and investments – unrestricted | \$ | 272,947       |
| Cash and investments – restricted   |    | 20,028,833    |
|                                     |    | \$ 20,301,780 |

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

Cash and investments as of December 31, 2023 consist of the following:

|             |               |
|-------------|---------------|
| Investments | \$ 20,301,780 |
|             | \$ 20,301,780 |

**Cash Deposits**

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. The Subdistrict does not have formal policies for deposits. None of the Subdistrict’s deposits were exposed to custodial credit risk.

**Investments**

The Subdistrict has not adopted a formal investment policy; however, it follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts and local government investment pools. None of the Subdistrict’s investments are subject to custodial or concentration of credit risk.

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.

As of December 31, 2023 the Subdistrict had the following investment:

| <u>Investment</u>                               | <u>Maturity</u>                   | <u>Fair Value</u> |
|---|-----------------------------------|-------------------|
| Colorado Local Government<br>Liquid Asset Trust | Weighted average under 60<br>days | \$ 20,301,780     |

**COLOTRUST**

During 2023, the Subdistrict invested in the Colorado Local Government Liquid Asset Trust (Colostrust), 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 Colostrust. The Subdistrict invested in COLOTRUST PLUS+ (PLUS+), one of the three portfolios offered by Colostrust.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

PLUS+ operates similarly to a money market fund and each share is equal in value to \$1.00. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption notice period. PLUS+ may invest in U.S. Treasury securities, federal instrumentality and agency securities, repurchase agreements and tri-party repurchase agreements, collateralized bank deposits, government money market funds, corporate bonds and highest rated commercial paper. A designated custodial bank serves as custodian for Colotrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colotrust'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 Colotrust. PLUS+ is rated AAAM by S&P Global Ratings with a weighted average maturity of under 60 days.

Cash and investments of \$20,028,833 are restricted in the Debt Service and Improvements Fund for servicing the Subdistrict's bonds (Note 4).

**Investment Valuation**

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Subdistrict's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is estimated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The Subdistrict held investments in Colotrust at year end for which the investment evaluation was determined as follows.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of COLOTRUST PLUS+ to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from \$1.00 per share. COLOTRUST PLUS+ is rated AAAM by S&P Global Ratings.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 4 – LONG-TERM OBLIGATIONS**

The following is an analysis of changes in long-term obligation for the year ended December 31, 2023:

|  | <u>Balance at<br/>December 31,<br/>2022</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance at<br/>December 31,<br/>2023</u> | <u>Due Within<br/>One Year</u> |
|--|---|------------------|--------------------|---|--------------------------------|
| <i>Bonded debt</i>                                   |   |                  |                    |   |                                |
| General obligation limited tax<br>bonds, Series 2022 | \$ 20,875,000                               | \$ -             | \$ -               | \$ 20,875,000                               | \$ -                           |
|  | <u>\$ 20,875,000</u>                        | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 20,875,000</u>                        | <u>\$ -</u>                    |

The details of the Subdistrict’s long-term obligation is as follows:

**\$20,875,000 General Obligation Limited Tax Bonds, Series 2022**

On December 21, 2022, the Subdistrict issued General Obligation Limited Tax Bonds (Series 2022 Bonds) in the principal amount of \$20,875,000. The Series 2022 Bonds were issued for the purpose of providing funds to (1) reimburse or pay for the costs of acquiring, constructing and installing public improvements related to development in the Subdistrict and (2) pay issuance and other costs in connection with the Series 2022 Bonds. Principal on the Series 2022 Bonds is due in varying amounts on December 1 from 2029 through 2052. The Series 2022 Bonds mature as follows: bonds totaling \$2,865,000 mature on December 1, 2037 (interest rate – 6.25%), bonds totaling \$3,310,000 mature on December 1, 2042 (interest rate – 6.50%) and the remaining bonds of \$14,700,000 mature on December 1, 2052 (interest rate of 6.75%). Interest on the Series 2022 Bonds is payable on June 1 and December 1.

The Series 2022 Bonds are subject to redemption prior to maturity beginning December 1, 2027, at the option of the Subdistrict, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities upon payment of par, accrued interest and a redemption premium equal to a percentage of the principal amount so redeemed, as follows: 3.0% prior to December 1, 2028, 2.0% prior to December 1, 2029 and 1.0% prior to December 1, 2030.

The Series 2022 Bonds are secured by and payable from pledged revenues consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy (as defined below), (2) the portion of the specific ownership taxes which is collected as a result of the imposition of the Required Mill Levy and (3) any other legally available monies which the Subdistrict determines to be treated as pledged revenue.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

The Required Mill Levy is defined as the mill levy necessary to produce the amounts due, when combined with other pledged revenues, including any monies in the revenue fund not required to be applied to the payment of the Series 2022 Loan in the current year and reduced by the operations mill levy, to fund the bond fund for the relevant bond year and pay the Series 2022 Bonds as they become due. The operations mill levy for each year is the number of mills necessary to produce the dollar amount of the operations deduction. The operations deduction as determined by the Subdistrict for the levy year 2022 (for collection in 2023) was \$30,000 and is to be increased by 2% each levy year thereafter. The Subdistrict's current maximum mill levy is not to exceed 20 mills, subject to adjustments related to future changes in the method of calculating the Subdistrict's assessed valuation. The Subdistrict's mill levy cannot be less than 20 mills until such time as surplus funds are less than the required amounts. The required maximum surplus amount is \$4,175,000 prior to the surplus fund conversion date and \$2,087,500 thereafter. Any excess pledged revenues are to be applied to the surplus fund until it reaches the required maximum surplus amount. The surplus fund conversion date is the first date on which the debt to assessed ratio is 25% or less and no amounts of principal or interest on the Series 2022 Bonds are due but unpaid. As of December 31, 2023 the surplus account balance was \$2,718,623.

Significant events of default by the Subdistrict under the Series 2022 Bonds include (i) failure to impose or collect the Required Mill Levy or apply other available pledged revenues, (ii) defaults in the performance or observance of any of the covenants, agreements or conditions in the indenture or the bond resolution and (iii) legal proceedings are filed under federal bankruptcy laws seeking to adjust the obligation represented by the Series 2022 bonds.

Upon the occurrence and continuance of an event of default, the trustee of the Series 2022 Bonds may seek receivership, file a suit for judgment or initiate other actions or special proceedings to enforce the rights of the trustee and the bondholders as outlined in the bond resolution and agreement. Due to the limited nature of the pledged revenues, failure to pay the principal or interest on the Series 2022 Bonds when due is not in itself an event of default as stated in the bond resolution. In addition, acceleration of the Series 2022 Bonds shall not be an available remedy for an event of default.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

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

The Subdistrict’s long-term obligation will mature as follows:

|           | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|-----------|----------------------|----------------------|----------------------|
| 2024      | \$ -                 | \$ 1,386,463         | \$ 1,386,463         |
| 2025      | -                    | 1,386,462            | 1,386,462            |
| 2026      | -                    | 1,386,463            | 1,386,463            |
| 2027      | -                    | 1,386,462            | 1,386,462            |
| 2028      | -                    | 1,386,463            | 1,386,463            |
| 2029-2033 | 1,125,000            | 6,834,811            | 7,959,811            |
| 2034-2038 | 2,295,000            | 6,321,062            | 8,616,062            |
| 2039-2043 | 3,595,000            | 5,429,900            | 9,024,900            |
| 2044-2048 | 5,505,000            | 3,994,989            | 9,499,989            |
| 2049-2052 | 8,355,000            | 1,663,537            | 10,018,537           |
|           | <u>\$ 20,875,000</u> | <u>\$ 31,176,612</u> | <u>\$ 52,051,612</u> |

**Authorized Debt**

On November 6, 2018, a majority of the qualified electors of the Subdistrict authorized the issuance of indebtedness in an amount not to exceed \$189,000,000 at an interest rate not to exceed 12.00% per annum. As of December 31, 2023, the Subdistrict had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

|                                  | <u>Total<br/>Authorized</u> | <u>Remaining at<br/>December 31,<br/>2023</u> |
|----------------------------------|-----------------------------|---|
| Street improvements              | \$ 20,000,000               | \$ 20,000,000                                 |
| Water                            | 20,000,000                  | 15,825,000                                    |
| Sanitation                       | 20,000,000                  | 20,000,000                                    |
| Safety protection                | 1,000,000                   | 1,000,000                                     |
| Park and recreation              | 20,000,000                  | 3,300,000                                     |
| Mosquito control                 | 1,000,000                   | 1,000,000                                     |
| Television relay and translation | 1,000,000                   | 1,000,000                                     |
| Transportation                   | 1,000,000                   | 1,000,000                                     |
| Operations                       | 5,000,000                   | 5,000,000                                     |
| Refunding                        | 100,000,000                 | 100,000,000                                   |
|                                  | <u>\$ 189,000,000</u>       | <u>\$ 168,125,000</u>                         |

As a component unit of Meridian Ranch, the Subdistrict is subject to the debt limitations and maximum debt service mill levy as set forth in the service plan of Meridian Ranch (see Note 7 below).

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 5 – FUND EQUITY**

As of December 31, 2023, the Subdistrict reported the following classifications of fund equity.

Restricted fund balances – the amount of \$1,500 in the General Fund is comprised of the emergency reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 10). The amount of \$19,589,184 in the Debt Service and Improvements Fund is to be used exclusively for debt repayment and future infrastructure projects (see Note 4) and includes \$4,232,850 for debt repayment and \$15,356,334 for capital improvements.

Unrestricted fund balance – the unrestricted fund balance in the General Fund is \$230,079.

**NOTE 6 – NET POSITION**

The Subdistrict’s net position consists of two components - restricted and unrestricted.

Restricted net position includes net position that is restricted for use either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Subdistrict had restricted net position as of December 31, 2023 as follows:

|  |                 |
|--|-----------------|
| Restricted net position:               |                 |
| TABOR emergency reserves (see Note 10) | \$ 1,500        |
| Total restricted net position          | <u>\$ 1,500</u> |

The Subdistrict’s unrestricted net deficit as of December 31, 2023 totaled \$1,171,276. This deficit amount is primarily due to the Subdistrict being responsible to reimburse Meridian Service for the costs of acquiring, constructing and installing public improvements for the benefit of the Subdistrict that are to be owned, operated and maintained by Meridian Service.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 7 – INTERGOVERNMENTAL AGREEMENTS**

**2019 Intergovernmental Agreement Between Meridian Service Metropolitan District, Meridian Ranch Metropolitan District and Meridian Ranch Metropolitan District 2018 Subdistrict Regarding Subdistrict Infrastructure and Administrative Services**

Meridian Service Metropolitan District (Meridian Service), Meridian Ranch and the Subdistrict entered into an intergovernmental agreement dated May 8, 2019 (2019 IGA) to provide Meridian Service with the responsibility for the construction, operation and maintenance of public improvements within the Subdistrict. The Subdistrict issued bonds in 2022 to obtain the financing for such improvements as required under the 2019 IGA. (see Note 4). Upon completion of construction, Meridian Service will be solely responsible for the operation, maintenance, insurance and repair of the improvements. As of December 31, 2023, the Subdistrict owed Meridian Service \$443,044 related to costs incurred by Meridian Service for Subdistrict capital improvements. As an additional consideration for the financing to be provided by the Subdistrict for the improvements, Meridian Service will provide administrative services as provided for in the 2019 IGA at no cost to the Subdistrict.

**Intergovernmental Agreement Regarding Maximum Debt Service Mill Levy and Additional Debt Obligations**

The Subdistrict and Meridian Ranch entered into an intergovernmental agreement dated December 14, 2022 (2022 IGA) in order to 1) limit the number of mills that Meridian Ranch and the Subdistrict may impose for the payment of general obligation indebtedness, 2) facilitate the 2022 issuance of debt obligations by the Subdistrict and Meridian Ranch and any additional general obligations of either such party in the future (payable from the debt service mill levy) and 3) limit the issuance of additional indebtedness by Meridian Ranch and the Subdistrict.

In accordance with the service plan, the ad valorem property taxes imposed by Meridian Ranch and the Subdistrict for the payment of debt obligations may not exceed, in the aggregate, the maximum mill levy cap as defined in the service plan. As a result, the number of mills available to be pledged by the Subdistrict and Meridian Ranch for payment of the Subdistrict Series 2022 Bonds and the Meridian Ranch 2022 debt obligations is limited to 70.07 mills, subject to adjustment as described in the service plan.

The 2022 IGA provides that the Subdistrict may issue Series 2022 Bonds and Meridian Ranch may issue a Series 2022 Note and neither district may issue any refunding obligations thereof without the prior written consent of the other district. Each of the districts covenant that for so long as the 2022 debt obligations or any refunding obligations of either district is outstanding, it will not issue or incur any additional debt obligations without the consent of the other district, provided, however, that the districts may issue additional debt obligations without the prior written consent of the other district so long as the maximum debt service mill levy pledged for the repayment of such additional debt obligations is equal to or less than 20 mills for the Subdistrict and less than 48 mills for Meridian Ranch (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut



**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 7 –INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

or abatement, as of collection year 2023, at which time the residential assessment rate was 6.95%), provided however, that if, on or after collection year 2023, there are further changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the maximum mill levy provided will be increased or decreased to reflect such changes, such increases or decreases are to be determined by the Meridian Ranch board of directors in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

The effective date of the 2022 IGA commenced on the date of the issuance of the Series 2022 Bonds (December 21, 2022) and ends on the date upon which all debt obligations issued by the Subdistrict have been defeased or paid in full.

The occurrence or existence of any one or more of the following events shall be an event of default under the 2022 IGA and includes 1) untrue or incomplete representations made by either party that would have a material adverse effect upon the other party, 2) failure in the performance of any other of the covenants in the 2022 IGA that continues for sixty days after written notice and 3) commencement of any case, proceeding or other actions as outlined in the 2022 IGA.

Upon the occurrence and continuance of an event of default, any party may proceed to protect and enforce its rights against the party causing the event of default through suit, action or other proceedings in equity or at law as outlined in the 2022 IGA.

**NOTE 8 – RELATED PARTIES**

Some of the members of the board of directors are affiliated with or are employees of developers of land within the Subdistrict. These members may have conflicts of interest with respect to certain transactions which come before the board.

**NOTE 9 – RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, the Subdistrict may be 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 Subdistrict is a named member of the Colorado Special Districts Property and Liability Pool (Pool) as a subdistrict of Meridian Ranch. 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.

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 9 – RISK MANAGEMENT (CONTINUED)**

Meridian Ranch pays annual premiums to the Pool for liability, property, public officials liability and workers compensation coverage on behalf of the Subdistrict. 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. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**NOTE 10 – TAX, SPENDING AND DEBT LIMITATION**

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

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.

On November 6, 2018, a majority of the Subdistrict’s electors authorized the Subdistrict to collect and spend or retain in a reserve any and all revenues annually from any revenue sources other than ad valorem taxes of the Subdistrict with regard to any limitations under TABOR.

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

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 11 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Explanation of differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position**

The Governmental Funds Balance Sheet and the Government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

|                       |               |
|-----------------------|---------------|
| Bond payable          | \$ 20,875,000 |
| Bond interest payable | \$ 115,539    |

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Interest is reflected on the accrual basis on the Statement of Net Position.

**Explanation of differences between the Governmental Funds Statement of Revenues, Expenditures and Change in Fund Balances and the Government-wide Statement of Activities**

The Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

|               |             |
|---------------|-------------|
| Bond interest | \$ (77,553) |
|---------------|-------------|

Governmental funds report interest payments as expenditures whereby bond interest is reported on the accrual basis in the Statement of Activities.

This information is an integral part of the accompanying financial statements.

## **SUPPLEMENTARY INFORMATION**

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**DEBT SERVICE AND IMPROVEMENTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2023**

|   | <u>Budget Amounts</u><br><u>Original &amp; Final</u> | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>Final Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|---|--|---------------------------------|---|
| <b>REVENUES</b>                             |  |                                 |   |
| Property taxes                              | \$ 422,040   | \$ 422,041                      | \$ 1  |
| Specific ownership taxes                    | 14,868   | 44,191                          | 29,323  |
| Interest                                    | -  | 988,397                         | 988,397   |
| Total revenues                              | <u>436,908</u>                                       | <u>1,454,629</u>                | <u>1,017,721</u>  |
| <b>EXPENDITURES</b>                         |  |                                 |   |
| County treasurer fees                       | 6,331  | 6,335                           | (4)   |
| Bond 2022 - Interest                        | 1,309,437  | 1,309,437                       | -   |
| Paying agent and cash management fees       | -  | 49,252                          | (49,252)  |
| Transfer to Meridian Service MD             | 1,900,000  | 443,044                         | 1,456,956   |
| Total expenditures                          | <u>3,215,768</u>                                     | <u>1,808,068</u>                | <u>1,407,700</u>  |
| <b>EXCESS OF EXPENDITURES OVER REVENUES</b> | <u>(2,778,860)</u>                                   | <u>(353,439)</u>                | <u>2,425,421</u>  |
| <b>OTHER FINANCING USES</b>                 |  |                                 |   |
| Transfer to General Fund                    | -  | (10,000)                        | (10,000)  |
| Total other financing uses                  | <u>-</u>   | <u>(10,000)</u>                 | <u>(10,000)</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>           | <u>(2,778,860)</u>                                   | <u>(363,439)</u>                | <u>2,415,421</u>  |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>     | <u>20,188,748</u>                                    | <u>19,952,623</u>               | <u>(236,125)</u>  |
| <b>FUND BALANCE - END OF YEAR</b>           | <u>\$ 17,409,888</u>                                 | <u>\$ 19,589,184</u>            | <u>\$ 2,179,296</u>   |

**OTHER SUPPLEMENTARY INFORMATION**

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT  
(A Component Unit of Meridian Ranch Metropolitan District)  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**December 31, 2023**

**\$20,875,000 Series 2022**

**General Obligation Limited Tax Bonds**

**Dated December 21, 2022**

**Interest Rates 6.25% - 6.75%**

**Interest Due June 1 and December 1**

**Principal Due December 1**

|      | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|------|----------------------|----------------------|----------------------|
| 2024 | \$ -                 | \$ 1,386,463         | \$ 1,386,463         |
| 2025 | -                    | 1,386,462            | 1,386,462            |
| 2026 | -                    | 1,386,463            | 1,386,463            |
| 2027 | -                    | 1,386,462            | 1,386,462            |
| 2028 | -                    | 1,386,463            | 1,386,463            |
| 2029 | 40,000               | 1,386,462            | 1,426,462            |
| 2030 | 190,000              | 1,383,963            | 1,573,963            |
| 2031 | 260,000              | 1,372,087            | 1,632,087            |
| 2032 | 310,000              | 1,355,837            | 1,665,837            |
| 2033 | 325,000              | 1,336,462            | 1,661,462            |
| 2034 | 380,000              | 1,316,150            | 1,696,150            |
| 2035 | 405,000              | 1,292,400            | 1,697,400            |
| 2036 | 465,000              | 1,267,087            | 1,732,087            |
| 2037 | 490,000              | 1,238,025            | 1,728,025            |
| 2038 | 555,000              | 1,207,400            | 1,762,400            |
| 2039 | 590,000              | 1,171,325            | 1,761,325            |
| 2040 | 665,000              | 1,132,975            | 1,797,975            |
| 2041 | 710,000              | 1,089,750            | 1,799,750            |
| 2042 | 790,000              | 1,043,600            | 1,833,600            |
| 2043 | 840,000              | 992,250              | 1,832,250            |
| 2044 | 935,000              | 935,550              | 1,870,550            |
| 2045 | 1,000,000            | 872,438              | 1,872,438            |
| 2046 | 1,100,000            | 804,938              | 1,904,938            |
| 2047 | 1,175,000            | 730,688              | 1,905,688            |
| 2048 | 1,295,000            | 651,375              | 1,946,375            |
| 2049 | 1,380,000            | 563,962              | 1,943,962            |
| 2050 | 1,510,000            | 470,812              | 1,980,812            |
| 2051 | 1,615,000            | 368,888              | 1,983,888            |
| 2052 | 3,850,000            | 259,875              | 4,109,875            |
|      | <u>\$ 20,875,000</u> | <u>\$ 31,176,612</u> | <u>\$ 52,051,612</u> |

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**(A Component Unit of Meridian Ranch Metropolitan District)**  
**SUMMARY OF ASSESSED VALUATION,**  
**MILL LEVY AND PROPERTY TAXES COLLECTED**  
**December 31, 2023**

| <b>Year Ended<br/>December 31,</b>                       | <b>Prior<br/>Year Assessed<br/>Valuation<br/>for Current<br/>Year Property<br/>Tax Levy</b> | <b>Mills Levied for</b> |                     | <b>Total Property Taxes</b> |                  | <b>Percentage<br/>Collected<br/>to Levied</b> |
|--|---|-------------------------|---------------------|-----------------------------|------------------|---|
|  |   | <b>General</b>          | <b>Debt Service</b> | <b>Levied</b>               | <b>Collected</b> |   |
| 2018   | \$ -  | 0.000                   | 0.000               | \$ -                        | \$ -             | 0.00%   |
| 2019   | \$ 605,750  | 10.000                  | 0.000               | \$ 6,058                    | \$ 6,058         | 100.00%                                       |
| 2020   | \$ 2,535,620  | 10.000                  | 0.000               | \$ 25,356                   | \$ 25,360        | 100.02%                                       |
| 2021   | \$ 5,714,660  | 10.000                  | 0.000               | \$ 57,147                   | \$ 57,022        | 99.78%  |
| 2022   | \$ 14,594,460   | 10.000                  | 0.000               | \$ 145,944                  | \$ 145,944       | 100.00%                                       |
| 2023   | \$ 21,102,010   | 0.000                   | 20.000              | \$ 422,040                  | \$ 422,041       | 100.00%                                       |
| Estimated for<br>the year ending<br>December 31,<br>2024 | \$ 35,268,070   | 0.000                   | 20.000              | \$ 705,361                  |                  |   |


**NOTE:**


Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.






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September 3, 2024

To the Board of Directors of  
Meridian Ranch Metro District 2018 Subdistrict

We have audited the financial statements of the governmental activities, and each major fund of Meridian Ranch Metro District 2018 Subdistrict for the year ended December 31, 2023, and have issued our report thereon dated September 3, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Meridian Ranch Metro District 2018 Subdistrict are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no significant accounting estimates in the current year.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements noted.

##### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 3, 2024.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to Meridian Ranch Metro District 2018 Subdistrict’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Meridian Ranch Metro District 2018 Subdistrict’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors of and management of Meridian Ranch Metro District 2018 Subdistrict and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Haynie & Company*

September 3, 2024

Haynie & Company  
1221 West Mineral Avenue, Suite 202  
Littleton, CO 80120

This representation letter is provided in connection with your audit of the financial statements of Meridian Ranch Metro District 2018 Subdistrict, which comprise the respective financial position of the governmental activities, and each major fund, as of December 31, 2023, and the respective changes in financial position and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 3, 2024, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 1, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Meridian Ranch Metro District 2018 Subdistrict is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 10) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.

- c) Unrestricted access to persons within the Meridian Ranch Metro District 2018 Subdistrict from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of Meridian Ranch Metro District 2018 Subdistrict or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Meridian Ranch Metro District 2018 Subdistrict and involves:
- Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Meridian Ranch Metro District 2018 Subdistrict's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessment.
- 17) We have disclosed to you the identity of the Meridian Ranch Metro District 2018 Subdistrict's related parties and all the related party relationships and transactions of which we are aware.

**Government—Specific**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Meridian Ranch Metro District 2018 Subdistrict has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have not identified any leases/subscription-based IT arrangements to be recorded or disclosed under [GASBS No. 87 /GASBS No. 96](#) .
- 23) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) The Meridian Ranch Metro District 2018 Subdistrict has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 26) The Meridian Ranch Metro District 2018 Subdistrict has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- 27) The financial statements properly classify all funds and activities, in accordance with [GASB Statement No. 34](#) .
- 28) All funds that meet the quantitative criteria in [GASB Statement Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 29) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 30) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 31) Provisions for uncollectible receivables have been properly identified and recorded.
- 32) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 33) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 34) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 35) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 36) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 37) We have appropriately disclosed the Meridian Ranch Metro District 2018 Subdistrict's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 38) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 39) With respect to supplementary information:
  - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

|              |       |      |              |          |
|--------------|-------|------|--------------|----------|
| Ranges:      | From: | To:  | From:        | To:      |
| Check Number | First | Last | Check Date   | 9/3/2024 |
| Vendor ID    | First | Last | Checkbook ID | First    |
| Vendor Name  | First | Last |              | Last     |

Sorted By: Vendor Name

\* Voided Checks

| Check Number  | Vendor ID      | Vendor Check Name | Check Date | Checkbook ID | Audit Trail Code        | Amount      |
|---------------|----------------|-------------------|------------|--------------|-------------------------|-------------|
| 02540         | CRS            | CRS of Colorado   | 9/3/2024   | WF CHECKING  | PMCHK00000318           | \$10,615.00 |
| 02541         | MICHAEL PAUL   | Michael Paul      | 9/3/2024   | WF CHECKING  | PMCHK00000318           | \$92.35     |
| 02542         | RICHARD WENZEL | Richard Wenzel    | 9/3/2024   | WF CHECKING  | PMCHK00000318           | \$92.35     |
| 02543         | GUEVARA ROBERT | Robert Guevara    | 9/3/2024   | WF CHECKING  | PMCHK00000318           | \$92.35     |
| 02544         | RYAN FLOOD     | Ryan Flood        | 9/3/2024   | WF CHECKING  | PMCHK00000318           | \$92.35     |
| 02545         | REORDA         | Wayne Reorda      | 9/3/2024   | WF CHECKING  | PMCHK00000318           | \$92.35     |
| -----         |                |                   |            |              |                         |             |
| Total Checks: | 6              |                   |            |              | Total Amount of Checks: | \$11,076.75 |
|               |                |                   |            |              |                         | =====       |

**APPROVED**  
 kdean , 8/30/2024 ,9:41:39 AM

Batch ID: 08.23.24  
 Batch Comment:  
 Trx Total Actual: 5 Trx Total Control: 0  
 Batch Total Actual: \$461.75 Batch Total Control: \$0.00  
 Approved: No Approved By:  
 Batch Error Messages:

Batch Frequency: Single Use  
 Audit Trail Code: PMTRX00000348

Approval Date: 0/0/0000  
 Posting Date: 8/31/2024

| Type | Voucher Number   | Document Number  | Document Date | Vendor         | Document Total |
|------|------------------|------------------|---------------|----------------|----------------|
| INV  | 0000000000001204 | REG MTG 08.06.24 | 8/6/2024      | Robert Guevara | \$92.35        |

Distribution Errors:

Work Errors:

General Ledger Distributions

| Account     | Account Description | Account Type | Debit Amount | Credit Amount |
|-------------|---------------------|--------------|--------------|---------------|
| 10-6400-000 | Director's fees     | PURCH        | 92.35        | 0.00          |
| 10-3100-000 | Accounts Payable    | PAY          | 0.00         | 92.35         |
|             |                     |              | -----        | -----         |
|             |                     |              | 92.35        | 92.35         |

| Type | Voucher Number   | Document Number  | Document Date | Vendor       | Document Total |
|------|------------------|------------------|---------------|--------------|----------------|
| INV  | 0000000000001205 | REG MTG 08.06.24 | 8/6/2024      | Michael Paul | \$92.35        |

Distribution Errors:

Work Errors:

General Ledger Distributions

| Account     | Account Description | Account Type | Debit Amount | Credit Amount |
|-------------|---------------------|--------------|--------------|---------------|
| 10-6400-000 | Director's fees     | PURCH        | 92.35        | 0.00          |
| 10-3100-000 | Accounts Payable    | PAY          | 0.00         | 92.35         |
|             |                     |              | -----        | -----         |
|             |                     |              | 92.35        | 92.35         |

| Type | Voucher Number   | Document Number  | Document Date | Vendor       | Document Total |
|------|------------------|------------------|---------------|--------------|----------------|
| INV  | 0000000000001208 | REG MTG 08.06.24 | 8/6/2024      | Wayne Reorda | \$92.35        |

Distribution Errors:

Work Errors:

General Ledger Distributions

| Account     | Account Description | Account Type | Debit Amount | Credit Amount |
|-------------|---------------------|--------------|--------------|---------------|
| 10-6400-000 | Director's fees     | PURCH        | 92.35        | 0.00          |
| 10-3100-000 | Accounts Payable    | PAY          | 0.00         | 92.35         |
|             |                     |              | -----        | -----         |
|             |                     |              | 92.35        | 92.35         |

| Type | Voucher Number   | Document Number  | Document Date | Vendor         | Document Total |
|------|------------------|------------------|---------------|----------------|----------------|
| INV  | 0000000000001207 | REG MTG 08.06.24 | 8/6/2024      | Richard Wenzel | \$92.35        |

Distribution Errors:

Work Errors:

General Ledger Distributions

| Account     | Account Description | Account Type | Debit Amount | Credit Amount |
|-------------|---------------------|--------------|--------------|---------------|
| 10-6400-000 | Director's fees     | PURCH        | 92.35        | 0.00          |
| 10-3100-000 | Accounts Payable    | PAY          | 0.00         | 92.35         |
|             |                     |              | 92.35        | 92.35         |

| Type | Voucher Number    | Document Number  | Document Date | Vendor     | Document Total |
|------|-------------------|------------------|---------------|------------|----------------|
| INV  | 00000000000001206 | REG MTG 08.06.24 | 8/6/2024      | Ryan Flood | \$92.35        |

Distribution Errors:

Work Errors:

General Ledger Distributions

| Account     | Account Description | Account Type | Debit Amount | Credit Amount |
|-------------|---------------------|--------------|--------------|---------------|
| 10-6400-000 | Director's fees     | PURCH        | 92.35        | 0.00          |
| 10-3100-000 | Accounts Payable    | PAY          | 0.00         | 92.35         |
|             |                     |              | 92.35        | 92.35         |

| Purchases Amount | Trade Discount | Freight Amount | Misc Amount | Tax Amount | Terms Disc Avail | Document Total |
|------------------|----------------|----------------|-------------|------------|------------------|----------------|
| \$461.75         | \$0.00         | \$0.00         | \$0.00      | \$0.00     | \$0.00           | \$461.75       |
|                  |                |                |             |            |                  |                |



Batch ID: JULY 2024  
 Batch Comment:  
 Trx Total Actual: 2 Trx Total Control: 0  
 Batch Total Actual: \$10,615.00 Batch Total Control: \$0.00  
 Approved: No Approved By:  
 Batch Error Messages: Approval Date: 0/0/0000  
 Posting Date: 7/31/2024

| Type        | Voucher Number    | Document Number | Document Date | Vendor          | Document Total |
|-------------|-------------------|-----------------|---------------|-----------------|----------------|
| INV         | 00000000000001209 | 07.31.24        | 8/6/2024      | CRS of Colorado | \$6,287.00     |
| Description |                   |                 |               |                 |                |

Distribution Errors:

Work Errors:

General Ledger Distributions

| Account     | Account Description     | Account Type | Debit Amount | Credit Amount |
|-------------|-------------------------|--------------|--------------|---------------|
| 10-6100-000 | Accounting & Management | PURCH        | 80.00        | 0.00          |
| 10-3100-000 | Accounts Payable        | PAY          | 0.00         | 80.00         |
| 10-6100-000 | Accounting & Management | PURCH        | 3,267.00     | 0.00          |
| 10-3100-000 | Accounts Payable        | PAY          | 0.00         | 3,267.00      |
| 10-6150-000 | Audit                   | PURCH        | 2,940.00     | 0.00          |
| 10-3100-000 | Accounts Payable        | PAY          | 0.00         | 2,940.00      |
|             |                         |              | 6,287.00     | 6,287.00      |

| Type        | Voucher Number    | Document Number      | Document Date | Vendor          | Document Total |
|-------------|-------------------|----------------------|---------------|-----------------|----------------|
| INV         | 00000000000001210 | SUBDISTRICT 07.31.24 | 7/31/2024     | CRS of Colorado | \$4,328.00     |
| Description |                   |                      |               |                 |                |

Distribution Errors:

Work Errors:

General Ledger Distributions

| Account     | Account Description     | Account Type | Debit Amount | Credit Amount |
|-------------|-------------------------|--------------|--------------|---------------|
| 10-1450-610 | Accounting & Management | PURCH        | 16.00        | 0.00          |
| 10-3100-000 | Accounts Payable        | PAY          | 0.00         | 16.00         |
| 10-1450-610 | Accounting & Management | PURCH        | 2,167.00     | 0.00          |
| 10-3100-000 | Accounts Payable        | PAY          | 0.00         | 2,167.00      |
| 10-1450-615 | Audit                   | PURCH        | 2,145.00     | 0.00          |
| 10-3100-000 | Accounts Payable        | PAY          | 0.00         | 2,145.00      |
|             |                         |              | 4,328.00     | 4,328.00      |

| Purchases Amount | Trade Discount | Freight Amount | Misc Amount | Tax Amount | Terms Disc Avail | Document Total |
|------------------|----------------|----------------|-------------|------------|------------------|----------------|
| \$10,615.00      | \$0.00         | \$0.00         | \$0.00      | \$0.00     | \$0.00           | \$10,615.00    |