

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

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expiration</u>
Butch Gabrielski	President	May 2023
Wayne Reorda	Secretary/Treasurer	May 2022
Bill Gessner	Asst. Secretary/Treasurer	May 2023
Mike Fenton	Asst. Secretary/Treasurer	May 2023
Tom Sauer	Asst. Secretary/Treasurer	May 2022

**DATE:** Wednesday, October 6, 2021

**TIME:** 10:00 a.m.

**PLACE:** Meridian Ranch Recreation Center  
10301 Angeles Road  
Peyton, CO 80831

**The Public may participate in person or by following this link [Click here to join the meeting](#) or by telephone by calling +1 872-242-8662 and using Phone Conference ID: 132 470 269#**

**I. ADMINISTRATIVE ITEMS:**

- A. Call to Order
- B. Conflicts of Interest
- C. Approve Agenda
- D. Visitor Comments (Limited to 3 minutes per resident or household)
- E. Review and Approve September 8, 2021, Combined Regular Board Meeting Minutes (enclosure) **Page 3**

**II. FINANCIAL ITEMS:**

- A. Review and Accept MSMD Cash Position Summary and Unaudited Financial Statements (enclosure and/or distributed under separate cover) **Supplement**
- B. Review Tap Fee Report for Information Only (enclosure and/or distributed under separate cover) **Page 9**
- C. Review, Ratify and Approve Monthly Payment of Claims (enclosure and/or distributed under separate cover) **Page 11**
- D. Receive Finance Committee Report **Page 12**
- E. Ratify action of the Finance Committee and District Manager to allow for timely filing of the 2020 audit and accept the 2020 audit for Meridian Ranch Metropolitan District and Meridian Service Metropolitan District **Page 14**

**III. OPERATIONS & ENGINEERING ITEMS:**

- A. Information Items (No Action)
  - 1. MSMD Operations Reports – Water, Sewer, Parks and Grounds, Recreation (enclosure and/or handout) **Page 89**
  - 2. Manager’s Verbal Report

3. Introduction of proposed changes to the Meridian Service District Employee Handbook

B. Action Items

1. Authorize Jim Nikkel and Jennette Coe as Member Representatives for the Colorado Special Districts Property and Liability Pool **Page 97**
2. Motion to set November 17, 2021, 6 p.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Payton Colorado 80831 as the Public Work Session for the 2022 budget.
3. Motion to set December 8, 2021, 10 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Payton Colorado 80831 as the 2022 budget hearing.

**IV. DEVELOPER ITEMS:**

- A. Verbal Report from Construction Manager

**V. DIRECTOR ITEMS:**

- A. From Director Gessner, Discussion of potential participation in applying for American Rescue Plan Act Funding for Water and Wastewater Projects.

**VI. LEGAL ITEMS:**

- A. Enter into Executive Session pursuant to C.R.S. 24-6-402(4)(b) to receive legal advice regarding arbitration/post-arbitration matters with Cherokee Metropolitan District, including financing of arbitration obligation, and status of Sterling Ranch Participation.
- B. Possible executive session pursuant to Section 24-6-402(4)(b), C.R.S. to receive legal advice and discuss status of and options regarding obligations of Sterling Ranch Metropolitan District to make certain tap purchases under Intergovernmental Agreement.

**VII. ADJOURNMENT:**

**The next regular meeting of the Boards is scheduled for Wednesday, November 3, 2021, at 10:00 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831.**

# RECORD OF PROCEEDINGS

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**MINUTES OF THE COMBINED REGULAR MEETING  
OF THE BOARDS OF DIRECTORS OF THE  
MERIDIAN RANCH METROPOLITAN DISTRICT (MRMD)  
MERIDIAN SERVICE METROPOLITAN DISTRICT (MSMD)  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT (MRMD 2018 Subdistrict)**

**Held:** September 8, 2021, 10:00 a.m., at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831

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

Butch Gabrielski, President  
Wayne Reorda, Secretary/Treasurer  
Mike Fenton, Asst. Secretary/Treasurer  
Tom Sauer, Asst. Secretary/Treasurer

Also present were:

Jim Nikkel; Meridian Service Metro District  
Jennette Coe; Meridian Service Metro District  
Beth Aldrich; Meridian Service Metro District  
Ryan Kozlowski; Meridian Service Metro District  
Angie Kelly; Community Resource Services  
Lisa Mayers; Spencer Fane  
Ron Fano; Spencer Fane  
Jeff Mandarich; Biggs Kofford  
Matt Chorske; Piper Sadler  
Tiffany Lu Leichman; Sherman and Howard  
Tom Kerby; Tech Builders  
Jim O'Hara; Tech Builders (via telephone)  
Raul Guzman; Tech Builders (via telephone)  
Esme Wilhelm; Homeowner  
Nancy Loew; Homeowner  
Judy Taylor; Homeowner  
Tashina Stoker; Homeowner

**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 10:02 AM.

**Disclosure Matter** Ms. Mayers noted that written disclosures of the interests of all Directors have been filed with the Secretary of State.

**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.

# RECORD OF PROCEEDINGS

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**Visitor Comments** Ms. Taylor wanted to let the Board, and the employees responsible know that the improvements in the landscaping have been noticed and appreciated.

Ms. Lowe had concerns regarding the following:

- Cracked tiles in the foyer need to be replaced.
- The heater in the indoor pool at the Recreation Center was out August 16, and August 22.
- The elevator at the Recreation Center was out of order Monday, August 30 thru Monday September 6.
- Landscaping in the neighborhood still needs improvement.
- The Flag at the Stonebridge Lodge was not at half-staff on August 28 as ordered by Governor Polis to show respect for the thirteen American service men and women and Afghans killed on August 26.

**Approve Minutes** The Board reviewed the August 4, 2021, Regular Board Meeting Minutes, August, 4, 2021, Special Board Meeting Minutes & the August 10, 2021, Special Board Meeting Minutes. A motion was made and seconded to approve the minutes as presented. The motion was approved by unanimous vote of directors present.

**Financial Items** Cash Position Summary and Financial Statements: Ms. Coe reviewed the cash position summary and monthly financial reports for July 2021. A motion was made to accept the cash position summary and financial statements as presented. The motion was seconded and approved by unanimous vote of directors present.

Review 2020 Tap Fee Report: Ms. Coe reviewed the August 2021 Tap Fee Report with the Board for information only.

Approval of Payment of Claims: Ms. Coe reviewed the updated claims presented for approval at this meeting represented by check numbers:

MRMD: 02290-02296 totaling \$3,409.75

MSMD: Interim Bill.com payments totaling \$187,050.24

MSMD: Bill.com payments totaling \$232,922.17

A motion was made to approve the MSMD payment of claims. The motion was seconded and approved by unanimous vote of directors present.

# RECORD OF PROCEEDINGS

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## Operations & Engineering Items

### Information Items:

#### MSMD Operations Reports:

- In Mr. McCrory's absence Mr. Nikkel and Mr. Kozlowski presented the water, sewer, parks and grounds, and drainage operation reports which included information from pages 93-94 of the Board Packet.
- Mr. Kozlowski presented the Recreation Center Report to the Board which included information from page 95 of the Board Packet. Mr. Kozlowski also noted:
  - The teenagers that painted graffiti in the locker room will be doing community service for the district staining fences.

#### Managers Verbal Report: Mr. Nikkel provided status reports on the following matters:

- Well LFH 7 – Downhole equipment is being set. The temporary generator will be moved from LFH 8 to LFH 7 to allow for startup and testing.
- Presented a memo to the Board that outlined responses to the RFP for development of a Financial plan to go along with the recently completed Buildout Capital Improvement Plan. Mr. Nikkel recommended that a contract be issued to Raftelis in the amount of \$39,720 for development of the financial plan.

#### Action Items:

1. Consider and authorize Board President to sign contract with Raftelis to develop a Build Out CIP financial plan for water and wastewater infrastructure.

A motion was made and seconded to authorize the Board President to sign a contract with Raftelis to develop a Build Out CIP financial plan for water and wastewater infrastructure. The motion was approved by unanimous vote of directors present.

2. Consider and authorize Board President to sign Resolution No. MSMD 21-04 Regarding Securing Capacity in Chico Basin Wastewater Treatment Facility.

A motion was made and seconded to authorize the Board President to sign Resolution No. MSMD 21-04 Regarding Securing Capacity in Chico

# RECORD OF PROCEEDINGS

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Basin Wastewater Treatment Facility. The motion was approved by unanimous vote of directors present.

3. Consider De-obligating remaining Covid Relief Funds.

A motion was made and seconded to approve de-obligating remaining Covid Relief Funds. The motion was approved by unanimous vote of directors present.

**Developer Items**

Mr. Guzman provided a verbal report to the Board on the status of Meridian Ranch development activities.

- The replating of Rolling Hills Ranch (RHR) has been approved for 500 units.
- RHR filing #1 will have lots available for sale in two weeks.
- RHR filing #2 and #3 will have lots available for sale sometime next year.

**Director Items**

There were none.

**Legal Items**

A motion was made, seconded and approved by unanimous vote of directors present to open an executive session pursuant to C.R.S. 24-6-402(4)(b) to receive legal advice regarding arbitration/post-arbitration matters with Cherokee Metropolitan District, including financing of arbitration obligation, and status of Sterling Ranch Participation.

A motion was made, seconded and approved by unanimous vote of directors present to close the executive session at 12:20 PM

In open session, the following motions were made, seconded and approved by unanimous vote of directors present:

Piper Sandler is to issue an RFP for financing as discussed in Executive Session (i.e., 12-year financing in a final amount to be determined) to satisfy a portion of the Cherokee Metropolitan District's debt service in order to satisfy MSMD's obligations under the arbitration award.

**Adjournment**

There being no further business to come before the Board, the President adjourned the meeting at 12:25

## RECORD OF PROCEEDINGS

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The next regular meeting of the Boards is scheduled for October 6, 2021, at 10:00 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831.

Respectfully submitted,

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Secretary for the Meeting

DRAFT

RON FANO  
DIRECT DIAL: 303-839-3820  
rfano@spencerfane.com

September 8, 2021

Meridian Service Metropolitan District  
ATTN: Jim Nikkel, General Manager  
11886 Stapleton Drive  
Falcon, CO 80111

**Re: Opinion Concerning Executive Session Held September 8, 2021**

Dear Mr. Nikkel:

In my opinion, the executive session concerning the arbitration/post arbitration matters with Cherokee Metropolitan District, including financing of arbitration obligation and status of Sterling Ranch participation that occurred during the Board meeting that I attended in person on September 8, 2021 was properly announced and was a privileged attorney-client communication. Therefore, no record or electronic recording of the executive session was required pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S.

Sincerely,

SPENCER FANE LLP



Ronald L. Fano



Meridian Service Metropolitan District										
2021 Tap Report										
Counts	Date	Tap Receipt No.	Service Address	Filing #	Lot #	Builder	Tap Amt Paid	Meter Amt Paid	Check No.	Monthly Totals
106	9/3/2021	3348	12621 Windingwalk Dr	Windingwalk 1	166	Campbell Homes	\$18,000.00	\$625.00	E-Pymnt #P21090202-1074713	
107	9/9/2021	3349	12692 Enclave Scenic Dr	Stonebridge 4	60	Covington Homes	\$18,000.00	\$625.00	Wire/210909184739	
108	9/17/2021	3350	12733 Granite Ridge Dr	Stonebridge 4	29	Century Land Holdings	\$18,000.00	\$625.00	Check #468668	
109	9/17/2021	3351	12726 Granite Ridge Dr	Stonebridge 4	93	Century Land Holdings	\$18,000.00	\$625.00	Check #469669	
110	9/17/2021	3352	12718 Granite Ridge Dr	Stonebridge 4	94	Century Land Holdings	\$18,000.00	\$625.00	Check #469670	
111	9/22/2021	3378	9949 Meridian Hills Tr	Stonebridge 4	140	Covington Homes	\$18,000.00	\$625.00	Wire #210922098214	
112	9/22/2021	3379	9964 Meridian Hills Tr	Stonebridge 4	137	Covington Homes	\$18,000.00	\$625.00	Wire #210922098214	
113	9/23/2021	3353	10514 Rolling Peaks Dr	Rolling Hills Ranch 1	10	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
114	9/23/2021	3354	10522 Rolling Peaks Dr	Rolling Hills Ranch 1	11	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
115	9/23/2021	3355	10530 Rolling Peaks Dr	Rolling Hills Ranch 1	12	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
116	9/23/2021	3356	10559 Summer Ridge Dr	Rolling Hills Ranch 1	21	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
117	9/23/2021	3357	10553 Summer Ridge Dr	Rolling Hills Ranch 1	22	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
118	9/23/2021	3358	10547 Summer Ridge Dr	Rolling Hills Ranch 1	23	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
119	9/23/2021	3359	10541 Summer Ridge Dr	Rolling Hills Ranch 1	24	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
120	9/23/2021	3360	10535 Summer Ridge Dr	Rolling Hills Ranch 1	25	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
121	9/23/2021	3361	10523 Summer Ridge Dr	Rolling Hills Ranch 1	26	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
122	9/23/2021	3362	10517 Summer Ridge Dr	Rolling Hills Ranch 1	27	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
123	9/23/2021	3363	10511 Summer Ridge Dr	Rolling Hills Ranch 1	28	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
124	9/23/2021	3364	10505 Summer Ridge Dr	Rolling Hills Ranch 1	29	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
125	9/23/2021	3365	10504 Summer Ridge Dr	Rolling Hills Ranch 1	57	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
126	9/23/2021	3366	10510 Summer Ridge Dr	Rolling Hills Ranch 1	58	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
127	9/23/2021	3367	10516 Summer Ridge Dr	Rolling Hills Ranch 1	59	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
128	9/23/2021	3368	10522 Summer Ridge Dr	Rolling Hills Ranch 1	60	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
129	9/23/2021	3369	10528 Summer Ridge Dr	Rolling Hills Ranch 1	61	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
130	9/23/2021	3370	10534 Summer Ridge Dr	Rolling Hills Ranch 1	62	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
131	9/23/2021	3371	10540 Summer Ridge Dr	Rolling Hills Ranch 1	63	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
132	9/23/2021	3372	10546 Summer Ridge Dr	Rolling Hills Ranch 1	64	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
133	9/23/2021	3373	10552 Summer Ridge Dr	Rolling Hills Ranch 1	65	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
134	9/23/2021	3374	10558 Summer Ridge Dr	Rolling Hills Ranch 1	66	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
135	9/23/2021	3375	10523 Rolling Peaks Dr	Rolling Hills Ranch 1	79	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
136	9/23/2021	3376	10515 Rolling Peaks Dr	Rolling Hills Ranch 1	80	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
137	9/23/2021	3377	10507 Rolling Peaks Dr	Rolling Hills Ranch 1	81	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059364	
138	9/28/2021	3380	9820 Meridian Hills Trail	Stonebridge 4	123	Campbell Homes	\$18,000.00	\$625.00	Epymnt P21092702 - 2556095	
139	9/29/2021	3381	12725 Granite Ridge Dr	Stonebridge 4	30	Century Land Holdings	\$18,000.00	\$625.00	Check #00472261	
140	9/29/2021	3382	12717 Granite Ridge Dr	Stonebridge 4	31	Century Land Holdings	\$18,000.00	\$625.00	Check #00472262	
141	9/29/2021	3383	12710 Granite Ridge Dr	Stonebridge 4	95	Century Land Holdings	\$18,000.00	\$625.00	Check #00472263	
142	9/29/2021	3384	12702 Granite Ridge Dr	Stonebridge 4	96	Century Land Holdings	\$18,000.00	\$625.00	Check #00472264	
143	9/30/2021	3385	10565 Summer Ridge Dr	Rolling Hills Ranch 1	20	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
144	9/30/2021	3386	10564 Summer Ridge Dr	Rolling Hills Ranch 1	67	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
145	9/30/2021	3387	10570 Summer Ridge Dr	Rolling Hills Ranch 1	68	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
146	9/30/2021	3388	13134 Valley Peak Dr	Rolling Hills Ranch 1	69	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
147	9/30/2021	3389	13146 Valley Peak Dr	Rolling Hills Ranch 1	70	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
148	9/30/2021	3390	13158 Valley Peak Dr	Rolling Hills Ranch 1	71	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
149	9/30/2021	3391	13170 Valley Peak Dr	Rolling Hills Ranch 1	72	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
150	9/30/2021	3392	13182 Valley Peak Dr	Rolling Hills Ranch 1	73	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
151	9/30/2021	3393	13194 Valley Peak Dr	Rolling Hills Ranch 1	74	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
152	9/30/2021	3394	13189 Crooked Hill Dr	Rolling Hills Ranch 1	94	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
153	9/30/2021	3395	13177 Crooked Hill Dr	Rolling Hills Ranch 1	95	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
154	9/30/2021	3396	13165 Crooked Hill Dr	Rolling Hills Ranch 1	96	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
155	9/30/2021	3397	13153 Crooked Hill Dr	Rolling Hills Ranch 1	97	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
156	9/30/2021	3398	13141 Crooked Hill Dr	Rolling Hills Ranch 1	98	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
157	9/30/2021	3399	13154 Crooked Hill Dr	Rolling Hills Ranch 1	106	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
158	9/30/2021	3400	13166 Crooked Hill Dr	Rolling Hills Ranch 1	107	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
159	9/30/2021	3401	13178 Crooked Hill Dr	Rolling Hills Ranch 1	108	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	
160	9/30/2021	3402	13190 Crooked Hill Dr	Rolling Hills Ranch 1	109	Tralon Homes	\$18,000.00	\$625.00	Check #10000-00059470	

Meridian Service Metropolitan District  
 2021 Tap and Meter Set Additional Fees Collected

(Initial) Tap Purchase Date	Tap Receipt No.	Service Address	Builder	Tap Fee Paid At Time of Purchase	Meter Set Fee Paid At Time of Purchase	Additional Tap Fees Due (Per Current Fee Schedule)	Additional Meter Set Fee Due (Per Current Fee Schedule)	Date Paid	Total Additional Amount Collected Prior to Meter Set	
2/27/2020	2953	9615 Vistas Park Dr	David Weekley Homes	\$ 17,000.00	\$ 600.00	\$ 1,000.00	\$ 25.00	6/7/2021	\$ 1,025.00	
5/18/2018	2481	9802 Emerald Dr	Campbell Homes	\$ 15,000.00	\$ 540.00	\$ 3,000.00	\$ 85.00	6/9/2021	\$ 3,085.00	
5/21/2018	2488	13679 Evening Sky Dr	David Weekley Homes	\$ 15,000.00	\$ 540.00	\$ 3,000.00	\$ 85.00	6/22/2021	\$ 3,085.00	
8/30/2018	2577	12979 Stone Valley Dr	Campbell Homes	\$ 15,000.00	\$ 540.00	\$ 3,000.00	\$ 85.00	6/25/2021	\$ 3,085.00	
9/13/2019	2801	10005 Golf Crest Dr	Covington Homes	\$ 16,000.00	\$ 575.00	\$ 2,000.00	\$ 50.00	6/29/2021	\$ 2,050.00	
6/12/2020	3075	9803 Fairway Glen Dr	Campbell Homes	\$ 17,000.00	\$ 600.00	\$ 1,000.00	\$ 25.00	6/30/2021	\$ 1,025.00	\$13,355.00 June 2021
2/15/2019	2701	9853 Emerald Vistas Dr	Campbell Homes	\$ 16,000.00	\$ 575.00	\$ 2,000.00	\$ 50.00	7/21/2021	\$ 2,050.00	
5/21/2018	2489	13667 Evening Sky Dr	David Weekley Homes	\$ 15,000.00	\$ 540.00	\$ 3,000.00	\$ 85.00	7/26/2021	\$ 3,085.00	\$5,135.00 July 2021
2/27/2020	2949	9647 Vistas Park Dr	David Weekley Homes	\$ 17,000.00	\$ 600.00	\$ 1,000.00	\$ 25.00	8/16/2021	\$ 1,025.00	
11/9/2018	2614	10017 Golf Crest Dr	Covington Homes	\$ 17,000.00	\$ 540.00	\$ 3,000.00	\$ 85.00	8/24/2021	\$ 3,085.00	\$4110.00 August 2021
5/21/2015	2490	13655 Evening Sky Dr	David Weekley Homes	\$ 15,000.00	\$ 540.00	\$ 3,000.00	\$ 85.00	9/13/2021	\$ 3,085.00	
8/27/2020	3136	12892 Stone Valley Dr	Century Communities	\$ 17,000.00	\$ 600.00	\$ 1,000.00	\$ 25.00	9/21/2021	\$ 1,025.00	
8/27/2020	3137	12900 Stone Valley Dr	Century Communities	\$ 17,000.00	\$ 600.00	\$ 1,000.00	\$ 25.00	9/21/2021	\$ 1,025.00	
8/27/2020	3139	12916 Stone Valley Dr	Century Communities	\$ 17,000.00	\$ 600.00	\$ 1,000.00	\$ 25.00	9/21/2021	\$ 1,025.00	
8/27/2020	3138	12908 Stone Valley Dr	Century Communities	\$ 17,000.00	\$ 600.00	\$ 1,000.00	\$ 25.00	9/21/2021	\$ 1,025.00	
8/27/2020	3140	12924 Stone Valley Dr	Century Communities	\$ 17,000.00	\$ 600.00	\$ 1,000.00	\$ 25.00	9/21/2021	\$ 1,025.00	
8/27/2020	3141	12932 Stone Valley Dr	Century Communities	\$ 17,000.00	\$ 600.00	\$ 1,000.00	\$ 25.00	9/21/2021	\$ 1,025.00	
8/27/2020	3142	13118 Stoney Meadows Way	Century Communities	\$ 17,000.00	\$ 600.00	\$ 1,000.00	\$ 25.00	9/21/2021	\$ 1,025.00	\$10,260.00 Sept 2021
<b>2021 Total</b>									<b>\$ 32,860.00</b>	

**Meridian Service Metropolitan District**  
**Vendor Payment Register Report - Summary**  
**Finance Committee - Interim Payments**  
**September 22, 2021**

<b>Date</b>	<b>Payment Type</b>	<b>Vendor</b>	<b>Amount</b>
9/22/2021	ePayment	American Portable Services Inc.	\$ 93.00
9/22/2021	Check	Aqueous Solution Inc.	\$ 852.50
9/22/2021	ePayment	Axis Business Technologies	\$ 512.31
9/22/2021	Check	Badger Meter	\$ 8,095.00
9/22/2021	ePayment	BailOut Window Cleaning	\$ 30.00
9/22/2021	Check	Batteries Plus Bulbs	\$ 548.07
9/22/2021	Vendor Direct	BrightView Landscape Services Inc.	\$ 1,985.38
9/22/2021	Check	Browns Hill Engineering & Controls, LLC	\$ 4,773.23
9/22/2021	Check	CenturyLink - FP & LS	\$ 251.73
9/22/2021	Check	Colorado Analytical Lab	\$ 1,780.00
9/22/2021	Vendor Direct	Comcast - MRRC	\$ 414.08
9/22/2021	Vendor Direct	Comcast - Office	\$ 309.56
9/22/2021	Vendor Direct	Cummins Sales and Service	\$ 522.95
9/22/2021	ePayment	DBC Irrigation Supply	\$ 156.63
9/22/2021	Check	Faris Machinery	\$ 1,203.85
9/22/2021	Check	Frazee Construction Co.	\$ 34,230.00
9/22/2021	Check	Grainger	\$ 2,830.05
9/22/2021	Vendor Direct	Harrell's LLC	\$ 813.00
9/22/2021	Check	HelloSpoke	\$ 747.90
9/22/2021	Check	Home Depot Credit Services	\$ 438.34
9/22/2021	Vendor Direct	Johnson Controls Security Solutions	\$ 767.00
9/22/2021	ePayment	LONG Building Technologies	\$ 5,229.41
9/22/2021	Check	Lytle Water Solutions, LLC	\$ 2,348.38
9/22/2021	Vendor Direct	Morning Star Elevator, LLC	\$ 230.00
9/22/2021	Check	Mug-A-Bug Pest Control	\$ 246.00
9/22/2021	Check	MVEA	\$ 72,709.30
9/22/2021	Check	Ross Electric-Enterprise, Inc.	\$ 19,261.79
9/22/2021	Vendor Direct	Safeway	\$ 2,724.81
9/22/2021	Check	Shops at Meridian Ranch, LLC	\$ 3,747.48
9/22/2021	ePayment	Starfish Aquatics Institute	\$ 129.00
9/22/2021	Check	Tire King of Falcon	\$ 20.00
9/22/2021	Vendor Direct	UniFirst First Aid & Safety	\$ 114.95
9/22/2021	Vendor Direct	Verizon Wireless	\$ 249.76
9/22/2021	Vendor Direct	Waste Management of Colorado Springs	\$ 1,151.75
		<b>Bill.com Grand Total</b>	<b>\$ 169,517.21</b>
9/22/2021	CK# 13298	Mountain View Café	\$ 1,190.00
<b>Total Payments</b>	<b>35</b>	<b>Total Amount of Payments</b>	<b>\$ 170,707.21</b>



## MERIDIAN SERVICE METROPOLITAN DISTRICT

*Water, Wastewater, Parks and Recreation*  
11886 Stapleton Dr, Falcon, CO 80831  
719-495-6567, Fax 719-495-3349

**DATE:** September 22 and 29, 2021  
**TO:** MSMD Board of Directors  
**RE:** Finance Committee Report

On September 22, 2021 the Board's Finance Committee, Directors Gabrielski and Sauer reviewed interim payments via email with Jim Nikkel, General Manager and Jennette Coe, AFS Manager. Following is a summary of the discussion and action:

- The Finance Committee approved interim MSMD payments in the amount of \$170,707.21 and directed staff to put these on the Board's October agenda for ratification.

On September 29, 2021 the Board's Finance Committee, Directors Gabrielski and Sauer met with Jim Nikkel, General Manager and Jennette Coe, AFS Manager. Following is a summary of the meeting:

- **Audit**

Since the first presentation of the audit at last month's meeting, there has been a lot of time spent with Jeff Mandarich of BiggsKofford going over issues that normally arise when a change in auditor is made but also with issues that have arose as Meridian Service has taken over the accounting role from CRS and as we have developed revised accounting and report methods from what CRS used in the past. These changes mainly center around how capital costs are accounted for.

The arbitration award with CMD also added challenges to how that liability would be carried on our books. The final decision was to accrue the liability as we receive copies of the monthly pay project pay applications so that we did not take a \$20M hit all at once.

Butch and Tom had several questions and asked for clarification on some items which were addressed by Jeff or Jennette.

The audit took an inordinate amount of time to complete due to many complicating factors that are not unusual due to the 3 transitions happening at the same time; new accounting system, new accounting staff and a new auditor. The length of time to get to a final version has now pushed us to the point that by statute, the audit must be filed with the state by close of business

tomorrow, September 30, 2021. The Finance Committee, with the understanding of the need to file the audit with the state by the close of business on September 30, 2021, agreed that Butch as the President of the Boards and Jim as District Manager should sign the submittal documents and that we would receive ratification from both Boards at the October meeting when they accept the final audit.

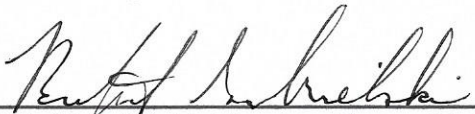
- Customer Communication - \$25 fee increase

Jim expressed concern about the communication effort that would be needed to explain the potential \$25/mo. sewer rate increase. Discussion centered around keeping our messaging on point of the fact that these are state mandated improvements and that the Board and District have done everything possible over the last two-three years to minimize these costs.

- Emergency Reserve Funds used to pay CMD

Jennette presented a spreadsheet showing which funds were borrowed from and how the repayments would be made once financing is completed.

Submitted by:

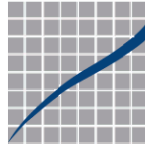
  
\_\_\_\_\_  
Butch Gabrielski, Finance Committee Director

**MERIDIAN RANCH METROPOLITAN DISTRICT**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**BiggsKofford**  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors

**Meridian Ranch Metropolitan District**

El Paso County, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Meridian Ranch Metropolitan District ("District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2020, 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.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
September 30, 2021

## **BASIC FINANCIAL STATEMENTS**

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

	<b>Governmental Activities</b>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 554,715
Cash and investments - restricted	5,284,621
Receivable from County Treasurer	17,654
Due from Meridian Service Metropolitan District	34,000
Other receivable	50,000
Property taxes receivable	2,161,011
<b>Total assets</b>	<b>8,102,001</b>
<b><u>LIABILITIES</u></b>	
Accounts payable	4,117
Interest payable	161,992
Noncurrent liabilities:	
Due within one year	1,395,000
Due in more than one year	59,290,000
<b>Total liabilities</b>	<b>60,851,109</b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>	
Deferred property tax revenues	2,161,011
<b>Total deferred inflows of resources</b>	<b>2,161,011</b>
<b><u>NET POSITION</u></b>	
Restricted for:	
Emergency reserve	1,733
Debt service	6,809,496
Unrestricted	(61,721,348)
<b>Total net position</b>	<b>\$ (54,910,119)</b>

The accompanying notes and independent auditor's report  
should be read with this financial statement.

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

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Rev</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Changes in Net Pos</u>
					<u>Governmental Activities</u>
<b>FUNCTIONS/PROGRAMS</b>					
<b>PRIMARY GOVERNMENT</b>					
General government	\$ 4,517,170	\$ -	\$ 6,218,300	\$ -	\$ 1,701,130
Interest and related costs on long-term debt	2,171,210	-	-	-	(2,171,210)
<b>Total primary government</b>	<u>\$ 6,688,380</u>	<u>\$ -</u>	<u>\$ 6,218,300</u>	<u>\$ -</u>	<u>(470,080)</u>
<b>GENERAL REVENUES</b>					
Property taxes					2,014,059
Specific ownership taxes					218,946
Investment income					15,171
<b>Total general revenues</b>					<u>2,248,176</u>
<b>Change in net position</b>					<u>1,778,096</u>
<b>Net position, beginning of year</b>					<u>(56,688,215)</u>
<b>Net position, end of year</b>					<u>\$ (54,910,119)</u>

The accompanying notes and independent auditor's report  
should be read with this financial statement.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	<b>General Fund</b>	<b>Conservation Trust</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 10,715	\$ -	\$ 544,000	\$ 554,715
Cash and investments - restricted	684,033	-	4,600,588	5,284,621
Other receivable	-	-	50,000	50,000
Due from Meridian Service Metropolitan District	-	-	34,000	34,000
Receivable from County Treasurer	3,531	-	14,123	17,654
Property taxes receivable	432,234	-	1,728,777	2,161,011
Due from other funds	1,701	-	-	1,701
<b>Total assets</b>	<b><u>\$ 1,132,214</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,971,488</u></b>	<b><u>8,103,702</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 4,117	\$ -	\$ -	4,117
Due to other funds	1,701	-	-	1,701
<b>Total liabilities</b>	<b><u>5,818</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>5,818</u></b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>				
Deferred property tax revenues	432,234	-	1,728,777	2,161,011
<b>Total deferred inflows of resources</b>	<b><u>432,234</u></b>	<b><u>-</u></b>	<b><u>1,728,777</u></b>	<b><u>2,161,011</u></b>
<b><u>FUND BALANCE</u></b>				
Restricted for:				
Emergency reserve	1,733	-	-	1,733
Debt service	-	-	5,242,711	5,242,711
Unrestricted	692,429	-	-	692,429
<b>Total fund balances</b>	<b><u>694,162</u></b>	<b><u>-</u></b>	<b><u>5,242,711</u></b>	<b><u>5,936,873</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,132,214</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,971,488</u></b>	

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

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

Interest payable	(161,992)
Bonds payable	(60,685,000)
<b>Net position of governmental activities</b>	<b><u>\$ (54,910,119)</u></b>

The accompanying notes and independent auditor's report  
should be read with this financial statement.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	<b>General Fund</b>	<b>Conservation Trust</b>	<b>Debt Service Projects</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 402,841	\$ -	\$ 1,611,218	\$ 2,014,059
Specific ownership taxes	43,789	-	175,157	218,946
Conservation trust funds	-	30,300	-	30,300
Investment income	4,795	-	10,376	15,171
<b>Total revenues</b>	<b>451,425</b>	<b>30,300</b>	<b>1,796,751</b>	<b>2,278,476</b>
<b>EXPENDITURES</b>				
Management and accounting	18,968	-	-	18,968
County Treasurer fees	6,046	-	24,182	30,228
Directors fees	6,900	-	-	6,900
Dues and subscriptions	552	-	-	552
Election	2,238	-	-	2,238
Insurance and bonds	4,652	-	-	4,652
Payroll taxes	528	-	-	528
Professional fees	16,634	-	-	16,634
Miscellaneous	1,231	-	736	1,967
Debt service:				
Interest	-	-	2,176,017	2,176,017
Principal	-	-	1,310,000	1,310,000
Paying agent fees	-	-	200	200
<b>Total expenditures</b>	<b>57,749</b>	<b>-</b>	<b>3,511,135</b>	<b>3,568,884</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 393,676</b>	<b>\$ 30,300</b>	<b>\$(1,714,384)</b>	<b>\$(1,290,408)</b>

The accompanying notes and independent auditor's report  
should be read with this financial statement.

**MERIDIAN RANCH METROPOLITAN DISTRICT  
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Conservation Trust</u>	<u>Debt Service Projects</u>	<u>Total Governmental Funds</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Intergovernmental revenues -				
Meridian Service Metro District	\$ -	\$ -	\$ 6,188,000	\$ 6,188,000
Intergovernmental expenses -				
Meridian Service Metro District	(220,000)	(30,300)	(4,184,000)	(4,434,300)
Transfer from (to) other funds	(18,307)	-	18,307	-
<b>Total other financing sources (uses)</b>	<b>(238,307)</b>	<b>(30,300)</b>	<b>2,022,307</b>	<b>1,753,700</b>
<b>Net change in fund balances</b>	<b>155,369</b>	<b>-</b>	<b>307,923</b>	<b>463,292</b>
<b>Fund balances, beginning of year</b>	<b>538,793</b>	<b>-</b>	<b>4,934,788</b>	<b>5,473,581</b>
<b>Fund balances, end of year</b>	<b>\$ 694,162</b>	<b>\$ -</b>	<b>\$ 5,242,711</b>	<b>\$ 5,936,873</b>

The accompanying notes and independent auditor's report  
should be read with this financial statement.

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

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Net change in fund balances - total governmental funds	\$	463,292
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term obligations provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences is the treatment of long-term obligations and related items as follows:

Principal payments on bonds		1,310,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Interest payable - change in liability		4,804
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Change in net position of governmental activities	\$	1,778,096
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The accompanying notes and independent auditor's report  
should be read with this financial statement.



**MERIDIAN RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	<b>Budget Original and Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>REVENUES</u></b>			
Property taxes	\$ 402,893	\$ 402,841	\$ (52)
Specific ownership taxes	32,206	43,789	11,583
Investment income	8,500	4,795	(3,705)
<b>Total revenues</b>	<b>443,599</b>	<b>451,425</b>	<b>7,826</b>
<b><u>EXPENDITURES</u></b>			
Management and accounting	30,000	18,968	11,032
County Treasurer fees	6,043	6,046	(3)
Directors fees	6,000	6,900	(900)
Dues and subscriptions	1,500	552	948
Election	1,500	2,238	(738)
Insurance and bonds	5,000	4,652	348
Payroll taxes	400	528	(128)
Professional fees	38,000	16,634	21,366
Miscellaneous	1,000	1,231	(231)
<b>Total expenditures</b>	<b>89,443</b>	<b>57,749</b>	<b>31,694</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Intergovernmental expenses - Meridian Service Metro District	(220,000)	(220,000)	-
Transfer from (to) other funds	-	(18,307)	(18,307)
<b>Total other financing sources (uses)</b>	<b>(220,000)</b>	<b>(238,307)</b>	<b>(18,307)</b>
<b>Net change in fund balance</b>	<b>\$ 134,156</b>	<b>155,369</b>	<b>\$ 21,213</b>
Fund balance, beginning of year		538,793	
Fund balance, end of year		<b>\$ 694,162</b>	

The accompanying notes and independent auditor's report  
should be read with this financial statement.

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

---

**1. DEFINITION OF REPORTING ENTITY**

Meridian Ranch Metropolitan District ("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 ("Meridian Service") (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 intended to be the financing district related to Meridian Service, the operating district.

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

See independent auditor's report

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

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

Government-wide and fund financial statements (continued)

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

Separate financial statements are provided for 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 position

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 District 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, specific ownership taxes and interest. 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 District.

See independent auditor's report

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

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

Measurement focus, basis of accounting and financial statement position (continued)

The District reports the following major governmental funds:

*General fund* - The general fund is used to account for all financial resources of the District except those required to be accounted for in another fund.

*Conservation trust fund* - The conservation trust fund is used to account for the receipt and spending of lottery proceeds.

*Debt service fund* - 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, it is the District's policy to use restricted first, then unrestricted resources as they are needed.

Budgets

In accordance with the local government budget law of Colorado, the District'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 District's board of directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

During the year ended December 31, 2020, the District modified the appropriation in the 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.

See independent auditor's report

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

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

Property taxes

Property taxes are levied by the District's board of directors. The levy is based on assessed valuations determined by the county assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the county commissioners to 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 District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenues 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 revenues are recognized when earned in the government-wide statements. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenues, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund balances

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

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

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

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

Fund Balances (continued)

*Restricted fund balance* - The portion of fund balance that is 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 that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

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

*Unassigned fund balance* - The residual portion of fund balance that does not meet any of the criteria described above.

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

**3. CASH AND INVESTMENTS**

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

Statement of net position:	
Cash and investments	\$ 554,715
Cash and investments - restricted	5,284,621
	<hr/>
Total cash and investments	\$ 5,839,336
	<hr/> <hr/>

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

Deposits with financial institutions	\$ 554,715
Investments	5,284,621
	<hr/>
	\$ 5,839,336
	<hr/> <hr/>

See independent auditor's report

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

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

Deposits with financial institutions

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The 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 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.

As of December 31, 2020, the District's cash deposits had a bank balance of \$554,808 and a book balance of \$554,715.

Investments

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

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

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

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

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

Investments (continued)

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

- Obligations of the United States and certain United States government agency securities
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2020, the Districts had the following in investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colotrust Plus+	Weighted average under one year	\$ 684,033
Governmental money markets	Weighted average under 60 days	<u>4,600,588</u>
		<u>\$ 5,284,621</u>

Colotrust

During 2020, the District invested in the Colorado Local Government Liquid Asset Trust ("Colotrust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all state statutes governing Colotrust. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00.

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

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

Colotrust (continued)

Colotrust offers shares in two portfolios, Colotrust Prime and Colotrust Plus+. Both portfolios may invest in US Treasury securities and repurchase agreements collateralized by US Treasury securities. Colotrust Plus+ may also invest in certain obligations of US government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of US government agencies. A designated custodial bank serves as custodian for the 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. ColoTrust is rated AAAM by S&P Global Ratings.

Governmental money markets

The BBVA Public Funds Money Market is a money market fund that is managed by BBVA and each share is equal in value to \$1. The fund is rated AAAM and invests in high quality short-term US government securities. The average maturity of the underlying securities is 90 days or less.

**4. LONG-TERM OBLIGATIONS**

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

	Balance 1/1/2020	Additions	Repayments/ Accretion	Balance 12/31/2020	Due within one year
Bonds payable:					
Series 2008	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000	\$ -
Loans:					
Series 2013	28,220,000	-	(960,000)	27,260,000	990,000
Series 2014	3,075,000	-	(100,000)	2,975,000	105,000
Series 2018	23,700,000	-	(250,000)	23,450,000	300,000
	<u>\$61,995,000</u>	<u>\$ -</u>	<u>\$ (1,310,000)</u>	<u>\$ 60,685,000</u>	<u>\$ 1,395,000</u>

See independent auditor's report

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

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

The details of the Districts long-term obligation are as follows:

2008 Series Bonds

On October 8, 2008, the District issued Subordinate General Obligation Limited Tax Bonds in the amount of \$27,715,000. The Series 2008 Bonds mature on December 1, 2037, with an interest rate of 5.00% until the bond is paid in full. Interest and principal payments are due annually on December 15. The Series 2008 Bonds are subject to redemption prior to maturity, at the option of the District, on any date, without redemption premium. The Series 2008 Bonds are also subject to mandatory sinking fund redemptions on December 1, 2012 and on each December 1 thereafter, prior to the maturity of the Series 2008 Bonds.

The Series 2008 Bonds are subordinate obligations of the District secured by and payable from pledged revenue 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 capital fees, (3) the portion of the specific ownership taxes which is collected as a result of the imposition of the Required Mill Levy and (4) any other legally available monies which the District determines to be treated 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 sufficient to pay principal, premium, if any, and interest on bonds as the same become due and payable. The maximum Required Mill Levy is 50.000 mills and the minimum Mill Levy is 20.000, adjusted for changes in the ratio of actual value to assessed value of property within the District.

2013 Series Loan

On March 28, 2013, the District obtained a Tax-Free Loan Refunding and Improvement Issue, Series 2013 in the amount of \$33,500,000, the proceeds of which were used to cancel the Series 2009 and the Series 2011 bonds, partially pay the 2008 subordinate debt and provide new construction money.

The Series 2013 Loan has a fixed-rate of 3.03% for ten years and assumes a 5.5% rate thereafter with a 30-year amortization. Interest is payable on June 1 and December 1. Principal payments are due annually on December 1 with a balloon maturity on March 28, 2023.

The Series 2013 Loan is secured by and payable on a parity basis with the Series 2018 Loan from pledged revenues consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the specific ownership taxes which is collected as a result of the imposition of the Required Mill Levy, (3) facility fees transferred for Meridian Service (see Note 7 – Intergovernmental Agreements) and (4) any other legally available monies which the District determines to be treated as pledged revenue.

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

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

2013 Series Loan (continued)

The Series 2013 Loan requires a reserve fund to be held and administered by the custodian as long as the loan is outstanding in whole or in part. The reserve fund constitutes a trust fund held for the benefit of the lender and the owner of the loan and the money in such fund shall be disbursed only in accordance with the loan agreement. The current reserve fund requirement is \$890,000. The balance in the reserve fund as of December 31, 2020 totaled \$1,411,633.

2014 Series Loan

On November 18, 2014, the District obtained a senior tax-exempt loan of \$3,500,000. The Series 2014 Loan has a 3.17% fixed rate with interest payable on June 1 and December 1. Principal payments are due annually on December 1 with a balloon maturity on March 28, 2023.

The Series 2014 Loan is secured by and payable on a parity basis with the Series 2018 Loan from pledged revenues consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the specific ownership taxes which is collected as a result of the imposition of the Required Mill Levy, (3) facility fees transferred for Meridian Service (see Note 7 – Intergovernmental Agreements) and (4) any other legally available monies which the District determines to be treated as pledged revenue.

2018 Series Loan

On April 17, 2018, the District obtained a Tax-Exempt Promissory Note, Series 2018 in the amount of \$24,000,000, the net proceeds of which were transferred to Meridian Service Metropolitan District to pay and reimburse the costs of public improvements and pay issuance and other costs in connection with the Loan for the District. The loan has a fixed-rate of 3.58% continuing through and including the maturity date. Interest is payable on June 1 and December 1. Principal payments are due annually on December 1 with a balloon maturity on April 17, 2030.

The Series 2018 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, (2) the portion of the specific ownership taxes which is collected as a result of the imposition of the Required Mill Levy, (3) facility fees transferred for Meridian Service (see Note 7 – Intergovernmental Agreements) and (4) any other legally available monies which the District determines to be treated as pledged revenue.

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

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

2018 Series Loan (continued)

The custodian is required to apply pledged revenues and other collateral in the following order of priority: (1) to the credit of the loan payment fund, (2) to the credit of the reserve fund, (3) to the credit of such fund or account as may be designated by the lender and (4) to the credit of any other fund or account as may be designated by the District. The custodian is to hold and administer the loan payment fund, a trust fund held for the benefit of the owners of the loans, and the money in such fund is to be disbursed only in accordance with the custodial agreement. After making the required 2020 debt payments, the balance in the loan payment fund at December 31, 2020 was \$3,188,955.

The loan has a fixed-rate of 3.58% continuing through and including the maturity date. Interest is payable on June 1 and December 1. Principal payments are due annually on December 1 with a balloon maturity on April 17, 2030.

The District is required, pursuant to the agreements, to maintain bond and reserve cash accounts. The reserve accounts are required to be maintained as long as the bonds and loans are outstanding.

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 1,395,000	\$ 2,121,694	\$ 3,516,694
2022	1,520,000	2,077,019	3,597,019
2023	4,035,000	2,396,505	6,431,505
2024	1,190,000	2,516,016	3,706,016
2025	1,290,000	2,455,439	3,745,439
2026-2030	27,165,000	11,078,063	38,243,063
2031-2035	9,095,000	5,674,567	14,769,567
2036-2040	10,040,000	2,966,732	13,006,732
2041-2042	4,955,000	441,092	5,396,092
	<b>\$ 60,685,000</b>	<b>\$ 31,727,127</b>	<b>\$ 92,412,127</b>

See independent auditor's report

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

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**5. NET POSITION**

The District's net position consists of two components - restricted and unrestricted.

Restricted assets include net assets that are restricted for use either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net assets as of December 31, 2020 as follows:

Restricted net position	
Emergency reserve (Note 10)	\$ 1,733
Debt service (Note 4)	<u>6,809,496</u>
Total restricted net position	<u>\$ 6,811,229</u>

The District's unrestricted net deficit as of December 31, 2020, totaled \$61,721,348. This deficit amount is primarily as result of the District being responsible for the financing and repayment of bonds issued for public improvements constructed by Meridian Service pursuant to an intergovernmental agreement.

**6. AGREEMENTS**

Pursuant to a facilities fee agreement dated January 18, 2006, entered into between the Districts and GTL Development, Inc. ("Land Owner"), the Land Owner has agreed to guarantee the payment of any shortfall in scheduled collections of facilities fees by the Districts. Any shortfall not paid by the required payment date is subject to reimbursement with simple interest, from the due date, at a percentage rate of 12% per annum. As shortfalls are remedied, any advances from the Land Owner are to be repaid.

**7. INTERGOVERNMENTAL AGREEMENTS**

The District entered into an intergovernmental agreement with Meridian Service on July 17, 2001, 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 Districts 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.

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

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**7. INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

In this regard, the District agreed to issue limited tax general obligation bonds, or if bonds were not issued, the District agreed to pledge its ad valorem tax revenue at the times and in the amounts required to meet its obligations subject to a 50.000 mill cap (2001 equivalency). Bonds were issued and the District paid the proceeds of the bonds to Meridian Service. Any and all bond proceeds received by Meridian Service were to be applied to the payment of public infrastructure costs or were to be utilized to pay all or a portion of Meridian Service's outstanding debt.

To assist in the repayment of the District's debt, Meridian Service is required to transfer revenues collected from facilities fees and user fees to the District (with the exception of Latigo Trails tap fees). During 2020, the District recorded an intergovernmental revenue of \$6,188,000 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.

**8. RELATED PARTIES**

Some of the members of the board of directors are affiliated with or are employees of developers of land within the District. These members may have conflicts of interest in dealing with the District.

**9. RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, the District 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.

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

See independent auditor's report

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

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

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

Spending and revenue limits are determined based on the prior 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.

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.

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

\* \* \* \* \*

## **SUPPLEMENTARY INFORMATION**



**MERIDIAN RANCH METROPOLITAN DISTRICT  
 CONSERVATION TRUST FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 YEAR ENDED DECEMBER 31, 2020**

	<b>Budget Original and Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>REVENUES</u></b>			
Conservation trust funds	\$ 37,000	\$ 30,300	\$ (6,700)
Total revenues	37,000	30,300	(6,700)
Excess of revenues over (under) expenditures	37,000	30,300	(6,700)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Intergovernmental expenses - Meridian Service Metro District	(37,000)	(30,300)	6,700
Transfer from (to) other funds	-	-	-
Total other financing sources (uses)	(37,000)	(30,300)	6,700
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year		-	
Fund balance, end of year		<u>\$ -</u>	

See independent auditor's report.

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

	<b>Budget</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
Property taxes	\$1,611,427	\$ 1,611,427	\$ 1,611,218	\$ (209)
Specific ownership taxes	128,824	128,824	175,157	46,333
Investment income	15,000	15,000	10,376	(4,624)
<b>Total revenues</b>	<b>1,755,251</b>	<b>1,755,251</b>	<b>1,796,751</b>	<b>41,500</b>
<b><u>EXPENDITURES</u></b>				
County Treasurer fees	24,171	24,171	24,182	(11)
Miscellaneous	1,000	1,000	736	264
Debt service:				
Interest	2,181,020	2,181,020	2,176,017	5,003
Principal	1,310,000	1,310,000	1,310,000	-
Paying agent fees	1,000	1,000	200	800
<b>Total expenditures</b>	<b>3,517,191</b>	<b>3,517,191</b>	<b>3,511,135</b>	<b>6,056</b>
Excess of revenues over (under) expenditures	(1,761,940)	(1,761,940)	(1,714,384)	47,556
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Intergovernmental revenues - Meridian Service Metro District	3,485,000	3,485,000	6,188,000	2,703,000
Intergovernmental expenses - Meridian Service Metro District	(750,000)	(4,200,000)	(4,184,000)	16,000
Transfer from (to) other funds	-	-	18,307	18,307
<b>Total other financing sources</b>	<b>2,735,000</b>	<b>(715,000)</b>	<b>2,022,307</b>	<b>2,737,307</b>
<b>Net change in fund balance</b>	<b>\$ 973,060</b>	<b>\$ (2,476,940)</b>	<b>307,923</b>	<b>\$ 2,784,863</b>
Fund balance, beginning of year			4,934,788	
Fund balance, end of year			<b>\$ 5,242,711</b>	

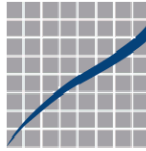
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**MERIDIAN SERVICE METROPOLITAN DISTRICT**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**BiggsKofford**  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors  
**Meridian Service Metropolitan District**  
El Paso County, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Meridian Service Metropolitan District ("District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of December 31, 2020, the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplemental Information*

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

### *Other Information*

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

The supplemental 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. Such 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
September 30, 2021

## **BASIC FINANCIAL STATEMENTS**

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 426,757	\$ 7,535,602	\$ 7,962,359
Cash and investments - restricted	612,496	4,032,467	4,644,963
Accounts receivable	308,358	1,952,734	2,261,092
Prepaid expenses	64,014	81,261	145,275
Security deposits	2,000	9,580	11,580
Capital assets not being depreciated	7,743	1,155,711	1,163,454
Capital assets, net	<u>11,444,766</u>	<u>32,179,748</u>	<u>43,624,514</u>
 Total assets	 <u>12,866,134</u>	 <u>46,947,103</u>	 <u>59,813,237</u>
<b>LIABILITIES</b>			
Accounts payable	138,241	1,242,584	1,380,825
Accrued liabilities	17,435	584,597	602,032
Arbitration payable	-	2,985,929	2,985,929
Due to Meridian Ranch Metropolitan District	-	34,000	34,000
Noncurrent liabilities:			
Developer advance and accrued interest	-	22,441,179	22,441,179
 Total liabilities	 <u>155,676</u>	 <u>27,288,289</u>	 <u>27,443,965</u>
<b>NET POSITION</b>			
Net investment in capital assets	11,444,766	10,894,280	22,339,046
Restricted:			
Emergency reserve (Note 12)	8,300	-	8,300
Parks and ground	438,423	-	438,423
Recreation	389,567	-	389,567
Capital projects	362,615	-	362,615
Unrestricted	<u>66,787</u>	<u>8,764,534</u>	<u>8,831,321</u>
 Total net position	 <u>\$ 12,710,458</u>	 <u>\$ 19,658,814</u>	 <u>\$ 32,369,272</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.



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

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>							
<b>PRIMARY GOVERNMENT</b>							
General government	\$ 6,345,388	\$ 2,688,361	\$ -	\$ -	\$ (3,657,027)	\$ -	\$ (3,657,027)
Interest and related costs on long-term debt	-	-	-	-	-	-	-
Total primary government	<u>\$ 6,345,388</u>	<u>\$ 2,688,361</u>	<u>\$ -</u>	<u>\$ -</u>	(3,657,027)	-	(3,657,027)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Water	\$ 6,449,580	\$ 2,995,234	\$ -	\$ 11,846,557	-	8,392,211	8,392,211
Sewer	8,527,578	1,609,124	-	9,380,468	-	2,462,014	2,462,014
Total business-type activities	<u>\$ 14,977,158</u>	<u>\$ 4,604,358</u>	<u>\$ -</u>	<u>\$ 21,227,025</u>	-	10,854,225	10,854,225
<b>GENERAL REVENUES</b>							
Investment income					43,112	-	43,112
Miscellaneous					62,888	-	62,888
Intergovernmental revenues					250,300	-	250,300
Total general revenues					356,300	-	356,300
Change in net position					(3,300,727)	10,854,225	7,553,498
Net position, beginning of year, as restated* (Note 14)					16,011,185	8,804,589 *	24,815,774 *
Net position, end of year					<u>\$ 12,710,458</u>	<u>\$ 19,658,814</u>	<u>\$ 32,369,272</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**MERIDIAN SERVICE METROPOLITAN DISTRICT  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Parks and Ground</u>	<u>Recreation</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and investments	\$ 70,789	\$ 56,458	\$ 123,897	\$ 175,613	\$ 426,757
Cash and investments - restricted	-	309,239	114,130	189,127	612,496
Accounts receivable	2,630	109,635	196,093	-	308,358
Prepaid expenses	8,952	20,227	34,835	-	64,014
Security deposits	2,000	-	-	-	2,000
<b>Total assets</b>	<b>\$ 84,371</b>	<b>\$ 495,559</b>	<b>\$ 468,955</b>	<b>\$ 364,740</b>	<b>1,413,625</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 14,692	\$ 55,068	\$ 66,356	\$ 2,125	138,241
Accrued liabilities	2,335	2,068	13,032	-	17,435
<b>Total liabilities</b>	<b>17,027</b>	<b>57,136</b>	<b>79,388</b>	<b>2,125</b>	<b>155,676</b>
<b>FUND BALANCE</b>					
Nonspendable:					
Prepaid expenditures	8,952	20,227	34,835	-	64,014
Security deposits	2,000	-	-	-	2,000
Restricted:					
Emergency reserve (Note 12)	8,300	-	-	-	8,300
Capital projects	-	-	-	362,615	362,615
Parks and ground	-	263,192	-	-	263,192
Recreation	-	-	235,154	-	235,154
Assigned:					
Emergency reserve	-	145,004	109,578	-	254,582
Rate stabilization	-	10,000	10,000	-	20,000
Unassigned:					
General government	48,092	-	-	-	48,092
<b>Total fund balances</b>	<b>67,344</b>	<b>438,423</b>	<b>389,567</b>	<b>362,615</b>	<b>1,257,949</b>
<b>Total liabilities and fund balances</b>	<b>\$ 84,371</b>	<b>\$ 495,559</b>	<b>\$ 468,955</b>	<b>\$ 364,740</b>	

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

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

Capital assets not being depreciated	7,743
Capital assets, net	11,444,766
<b>Net position of governmental activities</b>	<b>\$ 12,710,458</b>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**MERIDIAN SERVICE METROPOLITAN DISTRICT**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>General Fund</u>	<u>Parks and Ground</u>	<u>Recreation</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Intergovernmental revenues	\$ 220,000	\$ 30,300	\$ -	\$ -	\$ 250,300
Recreation center fees	-	-	1,642,750	-	1,642,750
Parks and grounds fees	-	836,210	-	-	836,210
Street lighting fees	-	160,353	-	-	160,353
Other revenues	19,936	17,622	25,330	-	62,888
Investment income	11,363	1,147	-	30,602	43,112
Lease revenues	32,748	-	-	-	32,748
Falcon Freedom Days	-	-	16,300	-	16,300
<b>Total revenues</b>	<b>284,047</b>	<b>1,045,632</b>	<b>1,684,380</b>	<b>30,602</b>	<b>3,044,661</b>
<b>EXPENDITURES</b>					
Accounting	30,137	14,981	24,300	-	69,418
Capital expenditures	-	18,634	22,948	312,323	353,905
Dues and subscriptions	7,953	119	586	-	8,658
Engineering	592	3,942	4,303	-	8,837
Insurance	2,700	11,184	18,016	-	31,900
Landscaping	-	320,970	-	-	320,970
Legal	74,689	390	1,276	-	76,355
Miscellaneous	7,757	4,489	7,786	-	20,032
Office supplies	6,768	5,003	40,958	-	52,729
Other expenses	36,915	82	35,821	-	72,818
Professional services	42,221	-	-	-	42,221
Repairs and maintenance	-	18,893	181,740	-	200,633
Salaries and payroll	10,030	162,942	872,905	-	1,045,877
Supplies	-	853	58,652	-	59,505
Utilities	56,257	161,237	142,025	-	359,519
<b>Total expenditures</b>	<b>276,019</b>	<b>723,719</b>	<b>1,411,316</b>	<b>312,323</b>	<b>2,723,377</b>
Excess of revenues over (under) expenditures	8,028	321,913	273,064	(281,721)	321,284
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from (to) other funds	-	(33,978)	(213,000)	(1,928,554)	(2,175,532)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(33,978)</b>	<b>(213,000)</b>	<b>(1,928,554)</b>	<b>(2,175,532)</b>
<b>Net change in fund balances</b>	<b>8,028</b>	<b>287,935</b>	<b>60,064</b>	<b>(2,210,275)</b>	<b>(1,854,248)</b>
Fund balances, beginning of year	59,316	150,488	329,503	2,572,890	3,112,197
<b>Fund balances, end of year</b>	<b>\$ 67,344</b>	<b>\$ 438,423</b>	<b>\$ 389,567</b>	<b>\$ 362,615</b>	<b>\$ 1,257,949</b>

The accompanying notes and independent auditor's report should be read with these financial statements.

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

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Net change in fund balances - total governmental funds	\$ (1,854,248)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Transfers of assets to business type-activities	(1,249,410)
Capital outlay	353,905
Depreciation expense	(550,974)
Change in net position of governmental activities	\$ (3,300,727)

The accompanying notes and independent auditor's report  
should be read with these financial statements.

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

	<b>Budget</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 220,000	\$ 220,000	\$ 220,000	\$ -
Other revenues	4,800	4,800	19,936	15,136
Investment income	-	11,500	11,363	(137)
Lease revenues	32,334	32,350	32,748	398
Grant reimbursement	-	18,000	-	(18,000)
<b>Total revenues</b>	<b>257,134</b>	<b>286,650</b>	<b>284,047</b>	<b>(2,603)</b>
<b>EXPENDITURES</b>				
Accounting	18,300	30,550	30,137	413
Dues and subscriptions	9,800	8,200	7,953	247
Engineering	500	600	592	8
Insurance	2,000	2,750	2,700	50
Legal	22,000	70,000	74,689	(4,689)
Miscellaneous	8,400	10,500	7,757	2,743
Office supplies	5,000	8,200	6,768	1,432
Other expenses	37,800	40,600	36,915	3,685
Professional services	35,000	41,000	42,221	(1,221)
Salaries and payroll	9,196	10,100	10,030	70
Utilities	65,281	57,025	56,257	768
<b>Total expenditures</b>	<b>213,277</b>	<b>279,525</b>	<b>276,019</b>	<b>3,506</b>
<b>Net change in fund balance</b>	<b>\$ 43,857</b>	<b>\$ 7,125</b>	<b>8,028</b>	<b>\$ 903</b>
Fund balance, beginning of year			59,316	
Fund balance, end of year			<b>\$ 67,344</b>	

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**MERIDIAN SERVICE METROPOLITAN DISTRICT**  
**STATEMENTS OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2020**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 4,292,966	\$ 3,242,636	\$ 7,535,602
Cash and investments - restricted	3,437,644	594,823	4,032,467
Accounts receivable - user fees	461,058	1,491,676	1,952,734
Prepaid expenses	47,508	33,753	81,261
Deposits	4,790	4,790	9,580
<b>Total current assets</b>	<b>8,243,966</b>	<b>5,367,678</b>	<b>13,611,644</b>
Capital assets:			
Capital assets not being depreciated	808,830	346,881	1,155,711
Capital assets, net	20,205,872	11,973,876	32,179,748
<b>Total capital assets</b>	<b>21,014,702</b>	<b>12,320,757</b>	<b>33,335,459</b>
<b>Total assets</b>	<b>\$ 29,258,668</b>	<b>\$ 17,688,435</b>	<b>\$ 46,947,103</b>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	\$ 629,532	\$ 613,052	\$ 1,242,584
Accrued liabilities	304,752	279,845	584,597
Arbitration payable	-	2,985,929	2,985,929
Facility fees payable - Meridian Ranch Metropolitan District	17,000	17,000	34,000
<b>Total current liabilities</b>	<b>951,284</b>	<b>3,895,826</b>	<b>4,847,110</b>
Noncurrent liabilities:			
Developer advance and accrued interest	20,382,434	2,058,745	22,441,179
<b>Total noncurrent liabilities</b>	<b>20,382,434</b>	<b>2,058,745</b>	<b>22,441,179</b>
<b>Total liabilities</b>	<b>21,333,718</b>	<b>5,954,571</b>	<b>27,288,289</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	632,268	10,262,012	10,894,280
Unrestricted	7,292,682	1,471,852	8,764,534
<b>Total net position</b>	<b>7,924,950</b>	<b>11,733,864</b>	<b>19,658,814</b>
<b>Total liabilities and net position</b>	<b>\$ 29,258,668</b>	<b>\$ 17,688,435</b>	<b>\$ 46,947,103</b>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**MERIDIAN SERVICE METROPOLITAN DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN**  
**NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b><u>OPERATING REVENUES</u></b>			
Service charges	\$ 2,756,901	\$ 1,565,576	\$ 4,322,477
Meter services	214,662	-	214,662
Total operating revenues	<u>2,971,563</u>	<u>1,565,576</u>	<u>4,537,139</u>
<b><u>OPERATING EXPENSES</u></b>			
Cost of services:			
Operations	379,626	519,815	899,441
Engineering	58,403	228,326	286,729
Payroll	392,767	339,287	732,054
Repairs and maintenance	427,185	62,075	489,260
Administrative and general expenses:			
Accounting and management	59,571	57,818	117,389
Depreciation	1,047,872	568,043	1,615,915
Dues and subscriptions	1,997	764	2,761
Insurance	44,292	43,484	87,776
Interest expense	465,774	-	465,774
Legal	11,493	530,958	542,451
Miscellaneous expenses	6,075	15,594	21,669
Office expense	9,378	12,817	22,195
Utilities	451,147	68,668	519,815
Total operating expenses	<u>3,355,580</u>	<u>2,447,649</u>	<u>5,803,229</u>
Operating income (loss)	<u>(384,017)</u>	<u>(882,073)</u>	<u>(1,266,090)</u>
<b><u>NONOPERATING REVENUES AND EXPENSES</u></b>			
Facilities fees	2,902,000	5,581,452	8,483,452
Miscellaneous income	23,671	43,548	67,219
Fees transferred to Meridian Ranch Metropolitan District	(3,094,000)	(3,094,000)	(6,188,000)
Net nonoperating revenues (expenses)	<u>(168,329)</u>	<u>2,531,000</u>	<u>2,362,671</u>
Income (loss) before other financing sources (uses)	<u>(552,346)</u>	<u>1,648,927</u>	<u>1,096,581</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**MERIDIAN SERVICE METROPOLITAN DISTRICT  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Contributed assets	\$ 2,152,385	\$ 2,860,623	\$ 5,013,008
Transfer from (to) other funds	2,575,110	849,832	3,424,942
Contributions to other governments	-	(2,985,929)	(2,985,929)
Intergovernmental revenues	4,217,062	88,561	4,305,623
Net other financing sources (uses)	8,944,557	813,087	9,757,644
Change in net position	8,392,211	2,462,014	10,854,225
Net position, beginning of year as restated (Note 14)	(467,261)	9,271,850	8,804,589
Net position, end of year	<u>\$ 7,924,950</u>	<u>\$ 11,733,864</u>	<u>\$ 19,658,814</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.



**MERIDIAN SERVICE METROPOLITAN DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from customers	\$ 2,497,340	\$ 220,949	\$ 2,718,289
Payments to vendors	(904,545)	(1,302,152)	(2,206,697)
Net cash flows from operating activities	<u>1,592,795</u>	<u>(1,081,203)</u>	<u>511,592</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Acquisition of capital assets	(2,888,533)	(655,313)	(3,543,846)
Miscellaneous income	23,671	43,548	67,219
Facilities fees	2,902,000	5,581,452	8,483,452
Transfers to other funds	2,575,110	849,832	3,424,942
Fees transferred to Meridian Ranch Metropolitan District	(3,094,000)	(3,094,000)	(6,188,000)
Intergovernmental revenues	4,217,062	88,561	4,305,623
Net cash flows from capital and related financing activities	<u>3,735,310</u>	<u>2,814,080</u>	<u>6,549,390</u>
Net change in cash and investments	5,328,105	1,732,877	7,060,982
Cash and investments, beginning balance	<u>2,402,505</u>	<u>2,104,582</u>	<u>4,507,087</u>
Cash and investments, ending balance	<u>\$ 7,730,610</u>	<u>\$ 3,837,459</u>	<u>\$ 11,568,069</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Operating income (loss)	\$ (384,017)	\$ (882,073)	\$ (1,266,090)
Depreciation	1,047,872	568,043	1,615,915
Changes in operating assets and liabilities:			
Accounts receivable	(259,561)	(1,344,627)	(1,604,188)
Due to (from) other funds	138,434	59,935	198,369
Prepaid expenses and deposits	(41,360)	(27,766)	(69,126)
Accounts payable	488,901	432,440	921,341
Deferred revenue	(81,000)	(80,000)	(161,000)
Accrued liabilities	217,752	192,845	410,597
Accrued interest on developer advances	465,774	-	465,774
Net cash flows from operating activities	<u>\$ 1,592,795</u>	<u>\$ (1,081,203)</u>	<u>\$ 511,592</u>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

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

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**1. DEFINITION OF REPORTING ENTITY**

Meridian Service Metropolitan District ("District" or "Meridian Service"), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized on May 5, 1998 concurrently with Meridian Ranch Metropolitan District ("Meridian Ranch") (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 District also has limited fire protection powers in a cooperative manner with Falcon Fire Protection District. The District is intended to be the operating district related to Meridian Ranch Metropolitan District ("Meridian Ranch"), the financing district (Note 9).

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Government-wide and fund financial statements

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

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

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

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

See independent auditor's report.

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

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

Measurement focus, basis of accounting and financial statement position

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.

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 District considers revenues to be available if they are collected within 60 days of the end of the current period. The material source of revenue subject to accrual is investment income. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

*General fund* - The general fund is used to account for all financial resources of the District except those required to be accounted for in another fund.

*Parks and ground fund* and *recreation fund* - The parks and ground fund and recreation funds account for parks and recreation operations.

*Capital projects fund* - The capital projects fund accounts for financial resources to be used for the acquisition and construction of major capital equipment and facilities.

The District reports the following major proprietary funds:

*Water fund* - The water fund accounts for the water operations that are financed and operated with the intent that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

*Sewer fund* - The sewer fund accounts for the sewer operations that are financed and operated with the intent that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP") requires the District to use estimates and assumptions. Those estimates and assumptions affect the reported balances of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues, expenditures and expenses. Actual results could vary from the estimates.

See independent auditor's report.

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

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

Budgets

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

The District incurred expenditures in excess of appropriations for the year ended December 31, 2020 in the sewer fund, which may be a violation of local government budget law.

Pooled cash and investments

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

Cash equivalents

For purposes of the statements of cash flows, the District considers cash deposits and highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Capital assets

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

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

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

Park and recreation facilities	40 years
Water facilities	30 years
Sewer facilities	30 years
Vehicles and equipment	5-15 years

See independent auditor's report.

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

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

Facilities fees

A water tap fee and a sewer tap fee per single family equivalent unit are charged against properties within the District. Facilities fees are due when a building permit is issued.

Water rights

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Net position and fund balances

*Net position*

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

*Fund balance*

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

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

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

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

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

*Unassigned fund balance* - The residual portion of fund balance that does not meet any of the criteria described above.

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

See independent auditor's report.

**MERIDIAN SERVICE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**3. CASH AND INVESTMENTS**

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

Statement of net position:

Cash and investments	\$ 7,962,359
Cash and investments - restricted	4,644,963
	<u>4,644,963</u>
Total cash and investments	<u>\$ 12,607,322</u>

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

Deposits with financial institutions	\$ 6,352,701
Investments	6,254,621
	<u>6,254,621</u>
	<u>\$ 12,607,322</u>

Deposits with financial institutions

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The 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 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.

As of December 31, 2020, the District's cash deposits had a bank balance of \$6,419,549 and a book balance of \$6,352,701.

Investments

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

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

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

See independent auditor's report.

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

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

Investments (continued)

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

- Obligations of the US and certain US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2020, the District had the following in investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Liquid Asset Trust	Weighted average under one year	<u>\$ 6,254,621</u>

Colostrust

During 2020, 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 commission administers and enforces all state statutes governing Colostrust. Colostrust operates similarly to a money market fund and each share is equal in value to \$1.00.

Colostrust offers shares in two portfolios, Colostrust Prime and Colostrust Plus+. Both portfolios may invest in US Treasury securities and repurchase agreements collateralized by US Treasury securities. Colostrust Plus+ may also invest in certain obligations of US government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of US government agencies. A designated custodial bank serves as custodian for the Colostrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colostrust'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 Colostrust. Colostrust is rated AAAM by S&P Global Ratings. Colostrust records its investments at fair value and the District records its investments in Colostrust at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

See independent auditor's report.

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

**4. CAPITAL ASSETS**

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

	Balance 1/1/2020	Additions/ Reclass- ifications	Dispositions/ Reclass- ifications	Balance 12/31/2020
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 1,104,479	\$ 9,163	\$ (1,105,899)	\$ 7,743
Total capital assets not being depreciated	1,104,479	9,163	(1,105,899)	7,743
Capital assets being depreciated:				
Parks and recreation facilities	15,561,888	303,160	(155,998)	15,709,050
Vehicles and equipment	96,007	41,582	-	137,589
Total capital assets being depreciated	15,657,895	344,742	(155,998)	15,846,639
Less accumulated depreciation	(3,863,386)	(550,974)	12,487	(4,401,873)
Total capital assets being depreciated, net	11,794,509	(206,232)	(143,511)	11,444,766
Governmental activities capital assets, net	<u>\$ 12,898,988</u>	<u>\$ (197,069)</u>	<u>\$ (1,249,410)</u>	<u>\$ 11,452,509</u>

Depreciation expense for governmental activities for the year ended December 31, 2020 totaled \$550,974.

See independent auditor's report.



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

**4. CAPITAL ASSETS (CONTINUED)**

	<u>Balance 1/1/2020</u>	<u>Additions/ Reclass- ifications</u>	<u>Dispositions/ Reclass- ifications</u>	<u>Balance 12/31/2020</u>
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Water rights	\$ 257,085	\$ -	\$ -	\$ 257,085
Construction in progress	<u>12,752</u>	<u>2,181,991</u>	<u>(1,296,117)</u>	<u>898,626</u>
Total capital assets not being depreciated	<u>269,837</u>	<u>2,181,991</u>	<u>(1,296,117)</u>	<u>1,155,711</u>
Capital assets being depreciated:				
Water system facilities	29,447,139	2,056,821	2,364,542	33,868,502
Sewer system facilities	15,307,526	2,835,910	193,472	18,336,908
Vehicles - water	-	93,049	-	93,049
Vehicles - sewer	<u>-</u>	<u>139,673</u>	<u>-</u>	<u>139,673</u>
Total capital assets being depreciated	44,754,665	5,125,453	2,558,014	52,438,132
Less accumulated depreciation	<u>(18,629,982)</u>	<u>(1,615,915)</u>	<u>(12,487)</u>	<u>(20,258,384)</u>
Total capital assets being depreciated, net	<u>26,124,683</u>	<u>3,509,538</u>	<u>2,545,527</u>	<u>32,179,748</u>
Business-type activities capital assets, net	<u><u>\$26,394,520</u></u>	<u><u>\$ 5,691,529</u></u>	<u><u>\$ 1,249,410</u></u>	<u><u>\$ 33,335,459</u></u>

Depreciation expense for business-type activities for the year ended December 31, 2020 totaled \$1,615,915.

See independent auditor's report.

**MERIDIAN SERVICE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**5. LONG-TERM OBLIGATIONS**

Developer advances

On March 20, 2001, the District entered into a reimbursement agreement with GTL Development, Inc. ("Developer") to reimburse the Developer for advances made on behalf of the District for operations, maintenance and capital infrastructure costs, along with accrued interest from the date of receipt at the rate of 5% per annum. On March 4, 2020, this agreement was revised and the Developer agreed to forego the compounding of interest from March 18, 2018 through January 1, 2026 (Note 13).

	Balance 1/1/2020	Additions	Repayments/ Accretion	Balance 12/31/2020	Due within one year
Developer advances	\$ 9,315,476	\$ -	\$ -	\$ 9,315,476	\$ -
Accrued interest	12,659,929	465,774	-	13,125,703	-
	<u>\$21,975,405</u>	<u>\$ 465,774</u>	<u>\$ -</u>	<u>\$ 22,441,179</u>	<u>\$ -</u>

Authorized indebtedness

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% per annum.

As of December 31, 2020, the District had authorized and unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized	Remaining
Street improvements	\$ 29,435,000	\$ 29,435,000
Water	35,765,000	35,765,000
Sanitation	7,320,000	7,320,000
Safety protection	1,740,000	1,740,000
Park and recreation	7,620,000	7,620,000
Mosquito control	1,305,000	1,305,000
Television realty and	1,055,000	1,055,000
Public transportation	260,000	260,000
Operations	500,000	500,000
Refunding	85,000,000	85,000,000
	<u>\$ 170,000,000</u>	<u>\$ 170,000,000</u>

See independent auditor's report.

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

**6. RETIREMENT PLAN**

Defined contribution money purchase plan - IRC 401(a) and deferred compensation plan

The District has adopted an employees' qualified money purchase plan and trust ("Plan") in accordance with Internal Revenue Code Section 401(a). The Plan is administered by ICMA Retirement Corporation. The Plan is a defined contribution plan with the District contributing an amount equal to 6.2% of each participant's compensation for the year. Each full-time employee age 16 or older, is eligible to participate. Each participant is required to match the District's contribution. The District adopted an employees' 457(b) deferred compensation plan in which the District contributes on behalf of each participant 100% of the voluntary participant contribution made by the participant for the plan year not to exceed 3% of participant earnings. The District is not liable for further pension benefits in excess of the contributions made to the Plan nor liable for losses from depreciation or shrinkage in the value of any investments acquired under the Plan. The employer and the employees' contributions are fully vested at the date of contribution. Contributions are tax deferred until withdrawn. The District contributed \$52,029 to the Plan during the year ended December 31, 2020.

**7. NET POSITION**

The District has a net position consisting of three components: net investments in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net investments in capital assets:			
Capital assets, net	\$ 11,444,766	\$ 32,179,748	\$ 43,624,514
Outstanding developer advances and accrued interest	-	(22,441,179)	\$(22,441,179)
Net investments in capital assets	<u>\$ 11,444,766</u>	<u>\$ 9,738,569</u>	<u>\$ 21,183,335</u>

Restricted positions include net positions that are subject to restrictions for use either by external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2020 as follows:

Restricted net position:		
Emergency reserve (Note 12)		\$ 8,300
Parks and ground		438,423
Recreation		389,567
Capital projects		362,615
		<u>\$ 1,198,905</u>

Unrestricted net position consists of net assets that do not meet the definition of net investment in capital assets or restricted net assets.

See independent auditor's report.

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

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**8. COMMITMENTS**

As of December 31, 2020, the District had various unspent appropriations for the acquisition and construction of projects which totaled \$3,285,793.

**9. INTERGOVERNMENTAL AGREEMENT**

The District entered into an intergovernmental agreement with Meridian Ranch on July 17, 2001 to set forth rights and obligations of the Districts pursuant to their respective service plans. The District agreed that the facilities described in the service plans are needed by the District and that such facilities will benefit the residents and property owners in both Districts in terms of cost, quality and level of service.

Each of the Districts agreed that the District will own (subject to potential transfer to other governmental entities or authorities) operate, maintain and construct facilities benefiting both Districts, and that Meridian Ranch will contribute to the costs of construction, operation, and maintenance of such facilities.

In this regard, Meridian Ranch agreed to issue limited tax general obligation bonds, or if bonds were not issued, Meridian Ranch agreed to pledge its ad valorem tax revenue at the times and in the amounts required to meet its obligations subject to a 50.000 mill cap (2001 equivalency). As bonds were issued, Meridian Ranch transferred the net proceeds of the bonds to the District. Any and all bond proceeds received by the District will be applied to the payment of public infrastructure costs or will be utilized to pay all or a portion of Meridian Ranch's outstanding bonds. To assist in the repayment of Meridian Ranch's subordinate bonds, the District is required to transfer revenue collected from facilities fees and/or user fees to Meridian Ranch. The water taps from Latigo Trails are not included in fees transferred to Meridian Ranch.

During 2020, the District transferred a total of \$6,188,000 to Meridian Ranch to assist in the repayment of the subordinate bonds issued by Meridian Ranch.

**10. RELATED PARTIES**

Some of the members of the 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 of directors.

**11. RISK MANAGEMENT**

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

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

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

See independent auditor's report.

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

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

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

Spending and revenue limits are determined based on the prior 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. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues.

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 revenue annually from any revenue source other than ad valorem taxes.

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

The District's management believes the District is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits, will likely require judicial interpretation.

**13. WASTEWATER ARBITRATION JUDGMENT**

As of December 31, 2020 the District was in arbitration before Judicial Arbitrator Group, Inc. ("JAG") with Cherokee Metropolitan District ("Cherokee"). The arbitration involved issues over a 2003 intergovernmental agreement known as Chino Basin Wastewater Treatment Facility and Black Squirrel Basin Recharge Facility Intergovernmental Agreement ("IGA"). The District contended that Cherokee breached the IGA by demanding amounts from the District to which it was not entitled under the IGA. The District also contended that Cherokee breached the IGA and made misrepresentations to the District relating to an undisclosed stipulation which had materially affected the District's ability to benefit from a replacement plan. Cherokee's counterclaims asserted that the District failed to pay amounts due under the IGA. The suit was arbitrated in March 2021 and the arbitrator issued a decision, holding that the District must pay 45.8% of all documented costs for Cherokee to complete certain upgrades and repairs to bring the wastewater treatment facility into compliance with its discharge permit, which are expected to total approximately \$42,500,000. In addition, the arbitrator ordered the District to pay \$2,985,929 plus 8% annual interest expense to Cherokee Metropolitan District. The District will record the costs of the treatment facility as costs are incurred beginning in 2021. The additional costs of \$2,985,929 were accrued by the District as of December 31, 2020 and are included in the sewer fund as arbitration payable on the statement of net position.

**14. RESTATEMENT**

The District restated its net position as of January 1, 2020 for its business-type activity funds related to an adjustment to accrued interest on developer advances to reflect an agreement entered into by the District and the Developer in March of 2020 in which the Developer agreed to forgo compounding of interest on outstanding balances from March 14, 2018 to January 1, 2026.

See independent auditor's report.

**MERIDIAN SERVICE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**14. RESTATEMENT (CONTINUED)**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
Net position, as originally stated	\$ 368,720	\$ 9,308,711	\$ 9,677,431
Adjustment to developer advance and accrued interest	(835,981)	(36,861)	(872,842)
Net position, as restated, as of January 1, 2020	\$ (467,261)	\$ 9,271,850	\$ 8,804,589

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See independent auditor's report.

## **SUPPLEMENTAL INFORMATION**

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

	<b>Budget</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Parks and grounds fees	\$ 806,996	\$ 806,996	\$ 836,210	\$ 29,214
Street lighting fees	156,987	156,987	160,353	3,366
Other revenues	-	-	17,622	17,622
Investment income	-	-	1,147	1,147
Intergovernmental revenues	37,000	37,000	30,300	(6,700)
<b>Total revenues</b>	<b>1,000,983</b>	<b>1,000,983</b>	<b>1,045,632</b>	<b>44,649</b>
<b>EXPENDITURES</b>				
Accounting	20,200	20,200	14,981	5,219
Capital expenditures	19,000	19,000	18,634	366
Dues and subscriptions	2,000	2,000	119	1,881
Engineering	3,500	3,500	3,942	(442)
Insurance	12,000	12,000	11,184	816
Landscaping	444,335	469,335	320,970	148,365
Legal	2,500	2,500	390	2,110
Miscellaneous	500	500	4,489	(3,989)
Office supplies	-	-	5,003	(5,003)
Other expenses	2,000	2,000	82	1,918
Repairs and maintenance	94,000	94,000	18,893	75,107
Salaries and payroll	159,828	159,828	162,942	(3,114)
Supplies	-	-	853	(853)
Utilities	155,530	155,530	161,237	(5,707)
<b>Total expenditures</b>	<b>915,393</b>	<b>940,393</b>	<b>723,719</b>	<b>216,674</b>
Excess of revenues over (under) expenditures	85,590	60,590	321,913	261,323
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from (to) other funds	(300,000)	(33,978)	(33,978)	-
<b>Total other financing sources (uses)</b>	<b>(300,000)</b>	<b>(33,978)</b>	<b>(33,978)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (214,410)</b>	<b>\$ 26,612</b>	<b>287,935</b>	<b>\$ 261,323</b>
Fund balance, beginning of year			150,488	
Fund balance, end of year			<b>\$ 438,423</b>	

See independent auditor's report.



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

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Recreation center fees	\$ 1,682,287	\$ 1,682,287	\$ 1,642,750	\$ (39,537)
Other revenues	-	-	25,330	25,330
Falcon Freedom Days	35,000	35,000	16,300	(18,700)
<b>Total revenues</b>	<b>1,717,287</b>	<b>1,717,287</b>	<b>1,684,380</b>	<b>(32,907)</b>
<b>EXPENDITURES</b>				
Accounting	34,000	34,000	24,300	9,700
Capital expenditures	22,000	22,000	22,948	(948)
Dues and subscriptions	1,000	1,000	586	414
Engineering	5,200	5,200	4,303	897
Insurance	17,000	17,000	18,016	(1,016)
Legal	5,000	5,000	1,276	3,724
Miscellaneous	500	500	7,786	(7,286)
Office supplies	41,450	35,650	40,958	(5,308)
Other expenses	65,000	70,800	35,821	34,979
Repairs and maintenance	258,000	258,000	181,740	76,260
Salaries and payroll	788,908	788,908	872,905	(83,997)
Supplies	52,300	52,300	58,652	(6,352)
Utilities	175,710	175,710	142,025	33,685
<b>Total expenditures</b>	<b>1,466,068</b>	<b>1,466,068</b>	<b>1,411,316</b>	<b>54,752</b>
Excess of revenues over (under) expenditures	251,219	251,219	273,064	21,845
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from (to) other funds	(150,000)	(213,000)	(213,000)	-
<b>Total other financing sources (uses)</b>	<b>(150,000)</b>	<b>(213,000)</b>	<b>(213,000)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 101,219</b>	<b>\$ 38,219</b>	60,064	<b>\$ 21,845</b>
Fund balance, beginning of year			329,503	
Fund balance, end of year			<b>\$ 389,567</b>	

See independent auditor's report.

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

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Investment income	\$ -	\$ -	\$ 30,602	\$ 30,602
Total revenues	-	-	30,602	30,602
<b><u>EXPENDITURES</u></b>				
Legal	10,000	2,000	-	2,000
Capital expenditures	930,000	363,200	312,323	50,877
Total expenditures	940,000	365,200	312,323	50,877
Excess of revenues over (under) expenditures	(940,000)	(365,200)	(281,721)	81,479
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from (to) other funds	450,000	996,978	(1,928,554)	(2,925,532)
Total other financing sources (uses)	450,000	996,978	(1,928,554)	(2,925,532)
Net change in fund balance	<u>\$ (490,000)</u>	<u>\$ 631,778</u>	(2,210,275)	<u>\$ (2,844,053)</u>
Fund balance, beginning of year			2,572,890	
Fund balance, end of year			<u>\$ 362,615</u>	

See independent auditor's report.

**MERIDIAN SERVICE METROPOLITAN DISTRICT  
WATER FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Service charges	\$ 2,553,283	\$ 2,695,580	\$ 2,756,901	\$ 61,321
Meter services	123,000	235,817	214,662	(21,155)
Total revenues	<u>2,676,283</u>	<u>2,931,397</u>	<u>2,971,563</u>	<u>40,166</u>
<b>EXPENSES</b>				
Operations	579,830	844,500	379,626	464,874
Engineering	50,000	47,350	58,403	(11,053)
Payroll	395,176	383,250	392,767	(9,517)
Repairs and maintenance	41,000	20,500	427,185	(406,685)
Accounting and management	73,280	59,000	59,571	(571)
Capital outlay	1,248,692	1,639,000	1,639,123	(123)
Dues and subscriptions	4,000	2,100	1,997	103
Insurance	55,000	44,600	44,292	308
Legal	20,000	10,700	11,493	(793)
Office expense	8,000	8,900	9,378	(478)
Miscellaneous expenses	20,000	12,900	6,075	6,825
Utilities	438,200	436,000	451,147	(15,147)
Total operating expenses	<u>2,933,178</u>	<u>3,508,800</u>	<u>3,481,057</u>	<u>27,743</u>
Operating income (loss)	<u>(256,895)</u>	<u>(577,403)</u>	<u>(509,494)</u>	<u>67,909</u>
<b>NONOPERATING REVENUES AND (EXPENSES)</b>				
Facilities fees	1,742,500	2,519,500	2,902,000	382,500
Miscellaneous income	9,500	35,145	23,671	(11,474)
Fees transferred to Meridian Ranch Metropolitan District	<u>(1,742,500)</u>	<u>(2,439,500)</u>	<u>(3,094,000)</u>	<u>(654,500)</u>
Net nonoperating revenues (expenses)	<u>9,500</u>	<u>115,145</u>	<u>(168,329)</u>	<u>(283,474)</u>
Income (loss) before other financing sources (uses)	<u>(247,395)</u>	<u>(462,258)</u>	<u>(677,823)</u>	<u>(215,565)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from (to) other funds	-	-	2,575,110	2,575,110
Intergovernmental revenues	<u>750,000</u>	<u>4,184,000</u>	<u>4,217,062</u>	<u>33,062</u>
Net other financing sources (uses)	<u>750,000</u>	<u>4,184,000</u>	<u>6,792,172</u>	<u>2,608,172</u>
Change in net position	<u>\$ 502,605</u>	<u>\$ 3,721,742</u>	6,114,349	<u>\$ 2,392,607</u>
Net position, beginning of year			<u>2,427,743</u>	
Net position, end of year			<u>\$ 8,542,092</u>	

See independent auditor's report.

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

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The accompanying schedule of revenues, expenses and changes in net position - budget and actual presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with US GAAP, a reconciliation of differences for the year ended December 31, 2020 is presented below.

Revenues - budgetary basis	\$ 12,689,406
Contributed assets	2,152,385
Revenues per statement of revenues, expenses, and changes in net position	\$ 14,841,791
Expenditures - budgetary basis	\$ 6,575,057
Depreciation	1,047,872
Capital outlay	(1,639,123)
Interest expense	465,774
Change in net assets per statement of revenues, expenses and changes in net position	\$ 6,449,580

See independent auditor's report.

**MERIDIAN SERVICE METROPOLITAN DISTRICT  
SEWER FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Service charges	\$ 1,518,466	\$ 1,534,125	\$ 1,565,576	\$ 31,451
Total revenues	1,518,466	1,534,125	1,565,576	31,451
<b>EXPENDITURES</b>				
Operations	530,970	662,970	519,815	143,155
Engineering	150,000	210,000	228,326	(18,326)
Payroll	414,792	323,450	339,287	(15,837)
Repairs and maintenance	10,000	6,700	62,075	(55,375)
Accounting and management	72,380	57,870	57,818	52
Dues and subscriptions	4,500	1,000	764	236
Insurance	45,000	45,000	43,484	1,516
Legal	235,000	420,000	530,958	(110,958)
Office expense	12,000	12,400	12,817	(417)
Miscellaneous expenses	3,500	9,475	15,594	(6,119)
Utilities	7,000	4,700	68,668	(63,968)
Capital outlay	954,000	387,800	655,313	(267,513)
Total operating expenses	2,439,142	2,141,365	2,534,919	(393,554)
Operating income (loss)	(920,676)	(607,240)	(969,343)	(362,103)
<b>NONOPERATING REVENUES AND (EXPENSES)</b>				
Facilities fees	2,864,570	3,979,500	5,581,452	1,601,952
Miscellaneous income	-	53,500	43,548	(9,952)
Fees transferred to Meridian Ranch Metropolitan District	(1,742,500)	(2,439,500)	(3,094,000)	(654,500)
Net nonoperating revenues (expenses)	1,122,070	1,593,500	2,531,000	937,500
Income (loss) before other financing sources (uses)	201,394	986,260	1,561,657	575,397
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from (to) other funds	-	(750,000)	849,832	1,599,832
Contributions to other governments	-	-	(2,985,929)	(2,985,929)
Intergovernmental revenues	100,000	100,000	88,561	(11,439)
Net other financing sources (uses)	100,000	(650,000)	(2,047,536)	(1,397,536)
Change in net position	\$ 301,394	\$ 336,260	(485,879)	\$ (822,139)
Net position, beginning of year			1,957,731	
Net position, end of year			\$ 1,471,852	

See independent auditor's report.

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

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The accompanying schedule of revenues, expenses and changes in net position - budget and actual presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with US GAAP, a reconciliation of differences for the year ended December 31, 2020 is presented below.

Revenues - budgetary basis	\$ 8,128,969
Contributed assets	2,860,623
Revenues per statement of revenues, expenses, and changes in net position	\$ 10,989,592
Expenditures - budgetary basis	\$ 8,614,848
Depreciation	568,043
Capital outlay	(655,313)
Change in net assets per statement of revenues, expenses and changes in net position	\$ 8,527,578

See independent auditor's report

## MSMD Operations Report for September 2021

As the month of September nears completion, the water demand is starting to decrease. Well site #5 was a big help was turned off mid-month along with a couple of Arapaho wells to rest. LFH-1 well is back in the ground and efforts to bring the well site back on-line are under way. After additional cleaning the flow rate is remaining constant and in the 70 to 80 gallon per minute range. Latigo was feeding up to the tanks but was turned off mid-month as well. Well site #8 direct injection is completed and the generator has been moved to well site 7 for site testing. Guthrie Ranch and Mid-point seemed to manage the heat spells with the temporary ac units. Properly sized wall mounted units will be installed and ready for next season. Water Ops crew responded to a handful of water leak complaints and dug on one. The water surfacing appears to be ground water and not treated water. Water ops staff also repaired/relocated a hydrant in front of the filter plant. Water operations completed the monthly Bac-T and monitoring plan sampling per CDPHE requirements. Monthly water meter reads were collected on 9-28-21.

Parks and drainage continued weekly pond inspections and removed trash collected in the drainage channels as needed. Parks and Drainage have opened Longview Park and working with the landscape maintenance contractor to have an extra aeration performed for another round of seeding prior to irrigation season shut down. The replacement slide for Longview Park was installed on 9-27-21. Londonderry and Meridian entry monument sod replacement has been completed. New sod install looks to be taking root and growing. Crews continued with irrigation and mainline repairs. Power has been restored to Boulder Ridge entry monument lighting and irrigation controller. Trouble-shooting irrigation controllers continues. A new dump trailer that was approved in the 2021 budget has been purchased and put to good use for the water department and parks and drainage.

Staff performed weekly infiltration gallery inspections and recorded water level logging data. Water levels have dropped some minimizing additional time spent on daily flow measurements.

The irrigation pond intake remains plugged and the temporary bypass fill line able to maintain golf course irrigation water demand. A floating intake installation is underway but requires draining the pond and installing a float for the intake. As the pond slowly continues to be lowered, remaining algae will be raked up and removed.

Wastewater operations completed weekly composite sampling and drop off to Cherokee for testing. Weekly Hydrogen Sulfide (H<sub>2</sub>S) and Total Dissolved Solids (TDS) samples were collected along with weekly sewer flow meter inspections. Bar screen replacement was completed 8-27-21 and has improved rag and debris removal. Sewer line cleaning continued to the gravity system. The combo truck was used to empty the manhole septic tank at the filter plant, hydro excavate a service leak and hydrant repair, and used to empty one of the vaults on the force main. The new flow meter at the Blaney Road connection to Cherokee was installed 9-8-21. After some additional trouble shooting the meter is working well. Falcon lift station influent meter adjustment was completed. Channel width adjustments were made and meter appears to have a closer representation of flow.

Upcoming or continued water tasks:

- ~~Monthly meter reading (completed 9-28-21)~~
- ~~3<sup>rd</sup> Quarter monitoring and sampling (completed)~~
- Well site #7 test (work continues week of Sept. 9<sup>th</sup>)
- ~~Latigo and well site #8 raw water bypass cut in (completed)~~
- Annual generator service (pending technician availability)

Upcoming or continued parks and drainage:

- Continue irrigation repairs/testing (in progress)
- ~~Annual backflow testing (completed)~~
- Continue fence repairs (in progress)
- Mulch/rock replacement in planter beds (in progress)
- Dead tree removal (in progress)

Upcoming or continued wastewater tasks:

- Sewer force main air vac maintenance/vault inspections (in progress)
- ~~Sewer force main flow meter replacement (completed)~~
- ~~Lift station bar screen repair (completed)~~
- Infiltration pit maintenance (pending weather, in progress)
- Infiltration pit logger installs (2) (pending weather, in progress)
- Begin recruitment for vacant wastewater position (in progress)
- Annual generator service (pending)





## 2021 BrightView Landscape Management Gantt Chart

### Meridian Ranch METRO DISTRICT

Operation	Occ.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mow, Trim and Clean-up	26				OO	OOOOO	OOOO	OOOO	OOOO	OOOO	OO		
Aerate	2					O				O			
Weed Control Beds	26				OO	OOOOO	OOOO	OOOO	OOOO	OOOO	OO		
Pre Emerge Beds	2			O			O						
Round up Cracks and creavous	26				OO	OOOOO	OOOO	OOOO	OOOO	OOOO	OO		
Bed Weed Maintenance	52				oooo	oooooooooooo	oooooooooooo	oooooooooooo	oooooooooooo	oooooooooooo	oooo		
Edge Curbs and Walks	13				O	OO	OO	OO	OO	OO	O		
Turf Fertilization Program	3		O			O		O					
Broadleaf Turf Spray	3		O			O		O					
Mow Native Grass (Londonderry)	6					O	O	O	O	O	O		
Mow Native Trails and Fencelines	12					OO	OO	OO	OO	OO	OO		
Mowing Native (Open Spaces)	2							O			O		
Inspect Property With Grounds	3				O			O			O		
Broadleaf Native Spray	3		O				O		O				
Prune Ornamental Grass	1		O										
Prune Shrubs	7				O	O	O	O	O	O	O		
Plant Heath Care Program	2					O		O					
Spot Prune Trees (Below 12')	7				O	O	O	O	O	O	O		
Spot Prune Trees (Above 12')	1				O								
Spray Tree Rings	2						O		O				
Shrub Maintenance Powery Mold etc	2					O			O				
Tree Wrap On/Off	2					O						O	
Spring Clean Up	1			O									
Fall Clean Up	1											O	O
Backflow Check	1					O							
Annual Flowers	1						O						
Winter Watering	3	O		O								O	
Winter anit desiccant	1										O		
Trash Summer and Winter	52	OOOOO	OOOO	OOOO	OOOO	OOOOO	OOOO	OOOO	OOOO	OOOO	OOOOO	OOOO	OOOOO
Site Inspection QSA Report	12	O	O	O	O	O	O	O	O	O	O	O	O

O - Operation to be Completed  
 O - Operation Completed

# Quality Site Assessment

## General Information

**Property Name:** Meridian Ranch Metropolitan Di

**Date:** Wednesday, September 29, 2021

**Next Inspection Date:** Monday, October 25, 2021

**Client Attendees:**

**Brightview Attendees:** Robert Beacon

## CUSTOMER FOCUS AREA:

### MAINTENANCE ITEMS:

- 1) Fall annual flowers have been installed. Flowers are getting adequately watered and are in great condition.
- 2) BrightView is looking at purchasing some bigger equipment to assist in native mowing operations for the 2022 season.
- 3) Fall aeration is scheduled to begin next week on October 4th
- 4) Maintenance crew is completing pruning and all potentilla throughout the property this week. All other pruning is complete
- 5) Maintenance crew is working through spot mowing native as needed throughout the property
- 6) Tree wrap will be completed in the month of October
- 7) Fall is upon us, crews will be completing tree wrap week one and three of October. On weeks two and four they will be completing the final two maintenance occurrences.

## RECOMMENDATIONS FOR PROPERTY ENHANCEMENTS:

## NOTES TO OWNER/CLIENT:

# Quality Site Assessment

## Maintenance Items

Fall annual flowers have been installed. Flowers are getting adequately watered and are in great condition.



[1/7]

## Maintenance Items

BrightView is looking at purchasing some bigger equipment to assist in native mowing operations for the 2022 season.



[2/7]

# Quality Site Assessment

## Maintenance Items

Fall aeration is scheduled to begin next week on October 4th



[ 3 / 7 ]

## Maintenance Items

Maintenance crew is completing pruning and all potentilla throughout the property this week. All other pruning is complete



[ 4 / 7 ]

## Maintenance Items

Maintenance crew is working through spot mowing native as needed throughout the property



[ 5 / 7 ]

## Maintenance Items

Tree wrap will be completed in the month of October



[ 6 / 7 ]

# Quality Site Assessment

## Maintenance Items

Fall is upon us, crews will be completing tree wrap week one and three of October. On weeks two and four they will be completing the final two maintenance occurrences.



[7/7]

## October 6th, 2021 Recreation Board Report

### Usage Numbers September 2021

Total Attendance – 9901

Group Ex – 749 participants. Of those we received \$500 from non-members

Childcare attendance - 371

Revenue collected - **\$10,016.00**

### Pulse Check:

The recreation center has been steady, and we have been prepping for end of year activities and indoor programming.

Flag football will be finishing up soon and we will be moving into an indoor soccer league, as well as a mini basketball season for 3–4-year-olds. Drop in volleyball and basketball is seeing strong participation and we will continue to offer those programs. We will be adding dance and musical theater in October and will fine tune that schedule based off how the first month goes.

Bids are due by October 3<sup>rd</sup> for our indoor lobby remodel, and I am anxiously waiting for an update from Swagata. It sounds like we will be a couple months out for the work to be completed based off contractor schedules, and availability of building materials.

The Daddy Daughter Dance was a great success, and all participants had a great time. We had a catered meal, DJ, photo booth, and face painting. The 5k race and concert at the shops is occurring on October 3<sup>rd</sup> and we are expecting a fun day of activities. We are working with Esme to host a Meridian Ranch harvest market and currently have 60 vendors lined up to attend the event. This will be hosted on October 10<sup>th</sup> in the East half of the parking lot. The annual trunk or treat is scheduled for October 30<sup>th</sup> from 1-3pm.

We have a new 14.5-foot blue spruce being installed behind our monument sign the first week of October. I hope to have it installed by the board meeting, but it may occur on Thursday or Friday. This will become our new Christmas Tree for the community tree lighting.

The newsletter is going great and Rachel has owned it and has delivered a great product for the community.



## Member Representative Designation Form

Pursuant to Section 10.1(b) of the Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool (CSD Pool), \_\_\_\_\_  
District Legal Name

designates the following individuals as its Member Representative and Alternate Member Representative to the CSD Pool to represent the District's interest in CSD Pool matters on behalf of the District:

\_\_\_\_\_  
**Member Representative (Print)**

\_\_\_\_\_  
**Alternate Member Representative (Print)**

\_\_\_\_\_  
**Association/Position in District**

\_\_\_\_\_  
**Association/Position in District**

\_\_\_\_\_  
**Address**

\_\_\_\_\_  
**Address**

\_\_\_\_\_  
**Phone**

\_\_\_\_\_  
**Phone**

\_\_\_\_\_  
**Email**

\_\_\_\_\_  
**Email**

**Date Authorized:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

By signing this form, you are affirming that you have been authorized to do so by the district's board of directors.

**Signer's Position:** \_\_\_\_\_