

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT

FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Mead Western Meadows Metropolitan District  
Weld County, Colorado

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Mead Western Meadows Metropolitan District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Mead Western Meadows Metropolitan District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Mead Western Meadows Metropolitan District as of December 31, 2023, and the respective changes in financial position and budgetary comparison schedule for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mead Western Meadows Metropolitan District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*The Adams Group, LLC*

Greenwood Village, Colorado  
June 25, 2024

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash	\$ 141,627
Investments - restricted	101,132
Property taxes receivable	266,151
Prepaid items	2,671
Total assets	511,581
 <b>Deferred Outflows of Resources</b>	
Deferred loss on bond refunding, net of accumulated amortization	272,721
 <b>Liabilities</b>	
Accounts payable	659
Accrued note interest payable	10,652
Noncurrent Liabilities:	
Due within one year	65,000
Due in more than one year	2,600,000
Total liabilities	2,676,311
 <b>Deferred Inflows of Resources</b>	
Deferred property tax revenue	266,151
 <b>Net Position</b>	
Restricted	
Emergency reserves	2,035
Debt service	204,429
Unrestricted	(2,364,624)
Total net position (deficit)	\$ (2,158,160)

The accompanying notes are an integral part of these financial statements.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

<b>Function/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
Primary Government					
General Government	\$ 41,341	\$ -	\$ -	\$ -	\$ (41,341)
Interest and expenses on long-term debt	155,301	-	-	-	(155,301)
	\$ 196,642	\$ -	\$ -	\$ -	(196,642)
			General Revenues:		
			Property tax	256,237	
			Specific ownership tax	10,896	
			Net investment income	10,372	
			Total general revenues	277,505	
			Change in net position	80,863	
			Net position (deficit) - beginning	(2,239,023)	
			Net position (deficit) - ending	\$ (2,158,160)	

The accompanying notes are an integral part of these financial statements.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
DECEMBER 31, 2023

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 141,627	\$ -	\$ 141,627
Investments - restricted	-	101,132	101,132
Property taxes receivable	51,932	214,219	266,151
Prepaid items	2,671	-	2,671
Due from other funds	-	113,949	113,949
Total Assets	<u>\$ 196,230</u>	<u>\$ 429,300</u>	<u>\$ 625,530</u>
<b>Liabilities</b>			
Accounts payable	\$ 659	\$ -	\$ 659
Due to other funds	113,949	-	113,949
Total Liabilities	<u>114,608</u>	<u>-</u>	<u>114,608</u>
<b>Deferred Inflows of Resources</b>			
Deferred property tax revenue	51,932	214,219	266,151
Total Deferred Inflows of Resources	<u>51,932</u>	<u>214,219</u>	<u>266,151</u>
<b>Fund Balances</b>			
Nonspendable	2,671	-	2,671
Restricted for:			
Emergencies	2,035	-	2,035
Debt Service	-	215,081	215,081
Unassigned	24,984	-	24,984
Total Fund Balance	<u>29,690</u>	<u>215,081</u>	<u>244,771</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 196,230</u>	<u>\$ 429,300</u>	<u>\$ 625,530</u>

The accompanying notes are an integral part of these financial statements.



MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2023

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

Total Fund Balances of Governmental Funds	\$	244,771
Deferred outflows of resources, including deferred loss on bond refunding, net of accumulated amortization, are not available to pay for current period expenditures and, therefore, are not reported in the funds.		272,721
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable		(2,665,000)
Accrued interest		(10,652)
		(2,675,652)
Total Net Position (Deficit) of Governmental Activities	\$	(2,158,160)

The accompanying notes are an integral part of these financial statements.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
<b>Revenues:</b>			
Property taxes	\$ 46,588	\$ 209,649	\$ 256,237
Specific ownership tax	1,961	8,935	10,896
Net investment income	26	10,346	10,372
Total revenues	<u>48,575</u>	<u>228,930</u>	<u>277,505</u>
<b>Expenditures:</b>			
General Government			
Audit	6,000	-	6,000
Bank service charges	60	-	60
Dues and subscriptions	425	-	425
Elections	825	-	825
Insurance and bonds	2,571	-	2,571
Legal	648	-	648
Management, administration and accounting	9,495	-	9,495
Town of Mead IGA	17,471	-	17,471
Treasurer's fees	692	3,154	3,846
Debt Service			
Bond principal	-	60,000	60,000
Bond interest	-	130,558	130,558
Bank service charges	-	493	493
Paying agent fees	-	3,500	3,500
Total expenditures	<u>38,187</u>	<u>197,705</u>	<u>235,892</u>
Net change in fund balances	10,388	31,225	41,613
Fund balances - beginning	<u>19,302</u>	<u>183,856</u>	<u>203,158</u>
Fund balances - ending	<u>\$ 29,690</u>	<u>\$ 215,081</u>	<u>\$ 244,771</u>

The accompanying notes are an integral part of these financial statements.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Net Change in Fund Balances - Governmental Funds	\$	41,613
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Bond principal payment		60,000
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Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of loss on bond refunding		(20,978)
Net change in accrued interest on long-term liabilities		<u>228</u>

Change in Net Position of Governmental Activities	\$	<u><u>80,863</u></u>
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The accompanying notes are an integral part of these financial statements.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property taxes	\$ 46,588	\$ 46,588	\$ -
Specific ownership taxes	2,800	1,961	(839)
Net investment income	10	26	16
Total revenues	49,398	48,575	(823)
<b>Expenditures:</b>			
General Government			
Audit	6,000	6,000	-
Bank service charges	100	60	40
Dues and subscriptions	500	425	75
Elections	2,500	825	1,675
Insurance and bonds	2,600	2,571	29
Legal	2,000	648	1,352
Management, administration and accounting	7,500	9,495	(1,995)
Town of Mead IGA	17,471	17,471	-
Treasurer's fees	700	692	8
Emergency reserve	10,000	-	10,000
Total expenditures	49,371	38,187	11,184
Net change in fund balance	\$ 27	10,388	\$ 10,361
Fund balance, beginning of the year		19,302	
Fund balance, end of the year		\$ 29,690	

The accompanying notes are an integral part of these financial statements.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mead Western Meadows Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on May 24, 2006 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located within the Town of Mead, Colorado.

The District was established principally to provide streets, traffic and safety controls, street lighting, water, sanitary sewer, storm drainage, landscaping, parks and recreation, and mosquito control to areas within and without the boundaries of the District.

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

The District's 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 of 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.

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. For the most part, the effect of interfund activity has been removed from these statements except those required to be reported in fiduciary funds. 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 and deferred outflows of resources and liabilities and deferred inflows of resources of the District is reported as net position.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider has been met. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes, and developer advances are recorded as a reduction in liabilities.

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

The District reports the following major governmental funds:

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

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

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

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 account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property Tax

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year for which they are levied, in most instances in the year in which collection occurs.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of net position and balance sheets 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 and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Loss on Refunding

In the government-wide financial statements the deferred loss on bond refunding is being amortized using the straight-line method over the life of the refunded bonds. The amortization amount is a component of interest expense.

Fund Balances-Governmental Funds

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

Nonspendable fund balance - the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance - the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance - amounts that are available for any purpose.

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

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.



MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS

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

Cash	\$ 141,627
Investments - restricted	101,132
Total cash and investments	<u>\$ 242,759</u>

Cash and investments in the amount of \$101,132 are restricted for the payment of debt service on the District's long-term obligations.

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

Deposits with financial institutions	\$ 141,627
Investments	101,132
Total cash and investments	<u>\$ 242,759</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 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 the reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District's cash deposits had a bank balance of \$142,063, and a carrying balance of \$141,627. At December 31, 2023, all of the District's deposits were covered by the Federal Deposit Insurance Corporation (FDIC).

Investments

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

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 - CASH AND 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 U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities and lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools \*

As of December 31, 2023, the District had the following investments:

Investment	Maturity	Amount
	Weighted Average	
COLOTRUST	Under 60 Days	\$ 101,132

COLOTRUST

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

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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

NOTE 3 - LONG-TERM OBLIGATIONS

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

	Balance 12/31/22	Additions	Retirements	Balance 12/31/23	Due in One Year
G.O. Limited Tax Refunding Bonds Series 2018	\$ 2,725,000	\$ -	\$ 60,000	\$ 2,665,000	\$ 65,000
	<u>\$ 2,725,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 2,665,000</u>	<u>\$ 65,000</u>

General Obligation Limited Tax Refunding Notes, Series 2018

On May 30, 2018, the District issued Series 2018 General Obligation Limited Tax Refunding Bonds (the 2018 Bonds) in the amount of \$2,955,000 with interest rates ranging from 4.55% to 5.0% and maturing on December 1, 2047. Interest on the 2018 Bonds is payable semiannually on June 1 and December 1. Unpaid interest compounds semiannually thereafter.

The 2018 Bonds are secured by and payable from pledged revenue which consists of the moneys derived from the District from the following sources: (i) the required mill levy (not to exceed 50.000 mills); (ii) capital fees, if any; (iii) a portion of the Specific Ownership Tax; and (iv) any other legally available monies which the District determines to transfer to the Trustee. The 2018 Bonds are further secured by amounts in the surplus and bond fund accounts totaling \$101,132 as of December 31, 2023.

The 2018 Bonds may be redeemed prior to maturity on December 1, 2028, and on any date thereafter, without redemption premium. The failure to pay principal of or interest on the 2018 Bonds does not constitute an event of default.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 3 - LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Limited Tax Refunding Notes, Series 2018 (Continued)

The proceeds, in addition to payment of \$363,798, were used to advance refund \$3,064,027 of outstanding 2013 Series G.O. Bonds. The net proceeds of \$2,799,896 after payment of \$155,104 in underwriting fees and other issuance costs were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2013 Series GO bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price by \$419,329. This amount is being amortized over the remaining life of the refunding debt.

The following table sets forth the estimated debt service payment debt service payment schedule for the principal and interest on the notes:

	General Obligation Notes Series 2018		
	Principal	Interest	Total
2024	\$ 65,000	\$ 127,828	\$ 192,828
2025	65,000	124,870	189,870
2026	70,000	121,913	191,913
2027	70,000	118,728	188,728
2028	75,000	115,543	190,543
2029-2033	430,000	523,340	953,340
2034-2038	545,000	415,050	960,050
2039-2043	675,000	272,250	947,250
2044-2047	670,000	85,750	755,750
	\$ 2,665,000	\$ 1,905,270	\$ 4,570,270

Authorized Debt

On May 2, 2006, a majority of qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$6,900,000 for public improvements. At December 31, 2019, the District had authorized and issued indebtedness from the election in the following amounts allocated for the following purposes:

	Total Authorized	Remaining at 12/31/2023
Streets	\$ 1,084,553	\$ 267,968
Water	632,315	117,570
Sanitation	1,174,654	40,059
Parks and recreation	508,478	279,403
Operations and maintenance	100,000	100,000
Refunding financial obligations	3,400,000	445,000
	\$ 6,900,000	\$ 1,250,000

NOTE 4 - FUND BALANCE

The restricted fund balance in the General Fund is comprised of the emergency reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado. The restricted fund balance in the Debt Service Fund in the amount is to be used exclusively for debt service requirements.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 5 - NET POSITION

The District's net position consists of two components - restricted and unrestricted. The restricted net position of the District at December 31, 2023 is as follows:

	Governmental Activities
TABOR emergency reserve	\$ 2,035
Debt service	204,429
	<u>\$ 206,464</u>

In the government-wide financial statements, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources (i.e., a deficit in net position) as a result of capital improvements that were funded with long-term debt that have been dedicated to other entities, while the long-term debt remains an obligation of the District. The District believes that future property tax and related revenues will eliminate this deficit.

NOTE 6 - INTERGOVERNMENTAL AGREEMENTS

On June 25<sup>th</sup>, 2007, the District entered into the Intergovernmental Agreement (IGA) with the Town of Mead, Colorado (Town) which requires the District to impose a mill levy of three (3.000) mills for purposes of operations and maintenance expenses associated with the Town park and recreational capital improvements.

NOTE 7 - 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. 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.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
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DECEMBER 31, 2023

NOTE 8 - 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, except those governmental activities designated as Enterprises.

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

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

On May 2, 2006, a majority of the District's electors authorized the District to collect and spend or retain in reserve all revenue other than ad valorem taxes annually without regard to any limitations imposed by 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 will require judicial interpretation.

## SUPPLEMENTARY INFORMATION

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
GOVERNMENTAL FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Property taxes	\$ 209,648	\$ 209,649	\$ 209,649	\$ -
Specific ownership taxes	12,570	8,000	8,935	935
Net investment income	1,500	9,000	10,346	1,346
Total revenues	<u>223,718</u>	<u>226,649</u>	<u>228,930</u>	<u>2,281</u>
<b>Expenditures:</b>				
General Government:				
Treasurer's fees	3,200	3,200	3,154	46
Debt Service:				
Bond principal	60,000	60,000	60,000	-
Bond interest	130,558	130,558	130,558	-
Bank service charges	80	600	493	107
Paying agent fees	3,500	3,500	3,500	-
Total expenditures	<u>197,338</u>	<u>197,858</u>	<u>197,705</u>	<u>153</u>
Net change in fund balance	<u>\$ 26,380</u>	<u>\$ 28,791</u>	31,225	<u>\$ 2,434</u>
Fund balance, beginning of the year			<u>183,856</u>	
Fund balance, end of the year			<u>\$ 215,081</u>	

See independent auditors' report