

**MERIDIAN METROPOLITAN DISTRICT**  
**Douglas County, Colorado**

**FINANCIAL STATEMENTS**  
**December 31, 2016**



**RECEIVED**

*By the Office of the State Auditor at 12:51 pm, Aug 01, 2017*

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT .....</b>	<b>1</b>
 <b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements:	
Statement of Net Position.....	1
Statement of Activities.....	2
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	5
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....	6
Statement of Net Position - Proprietary Fund.....	7
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund.....	8
Statement of Cash Flows - Proprietary Fund .....	9
Notes to Financial Statements .....	10
 <b>SUPPLEMENTARY INFORMATION .....</b>	 <b>28</b>
Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	29
Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	30
Proprietary Fund - Schedule of Revenues and Expenditures - Budget and Actual (Budgetary Basis).....	31
Proprietary Fund - Reconciliation of Budgetary Basis (Actual) to Statement of Revenues, Expenses and Changes in Net Position.....	33
Schedule of Debt Service Requirements to Maturity .....	34
Summary of Assessed Valuation, Mill Levy, and Property Taxes Collected .....	36
 <b>CONTINUING DISCLOSURE OBLIGATION .....</b>	 <b>37</b>



Certified Public Accountants and Business Consultants

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Meridian Metropolitan District (the District) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Meridian Metropolitan District, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

I

Barnes Griggs & Associates, PC

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

The continuing disclosure obligation information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Danner Higgin & Associates, PC*

Lakewood, Colorado  
July 16, 2017

## **BASIC FINANCIAL STATEMENTS**

**MERIDIAN METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**December 31, 2016**

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 6,619,857	\$ 5,079,246	\$ 11,699,103
Cash and investments - Restricted	683,751	-	683,751
Receivable - County Treasurer	66,315	-	66,315
Accounts receivable	4,301	500,518	504,819
Prepaid expense	40,206	40,206	80,412
Due from other governments	194,024	-	194,024
Due from Goldsmith MD	-	114,000	114,000
Property taxes receivable	8,211,978	-	8,211,978
Capital assets, not being depreciated	5,848,684	-	5,848,684
Capital assets, net	<u>2,856,436</u>	<u>21,807,803</u>	<u>24,664,239</u>
Total assets	<u>24,525,552</u>	<u>27,541,773</u>	<u>52,067,325</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Cost of refunding, net	<u>941,700</u>	<u>-</u>	<u>941,700</u>
Total deferred outflows of resources	<u>941,700</u>	<u>-</u>	<u>941,700</u>
<b>LIABILITIES</b>			
Accounts payable	328,146	409,063	737,209
Due to other governments	9,283	-	9,283
Deposits	-	265,000	265,000
Accrued interest payable	261,491	-	261,491
Noncurrent liabilities			
Due within one year	1,545,000	-	1,545,000
Due in more than one year	<u>64,779,631</u>	<u>-</u>	<u>64,779,631</u>
Total liabilities	<u>66,923,551</u>	<u>674,063</u>	<u>67,597,614</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax revenue	<u>8,211,978</u>	<u>-</u>	<u>8,211,978</u>
Total deferred inflows of resources	<u>8,211,978</u>	<u>-</u>	<u>8,211,978</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	21,807,803	21,807,803
Restricted for:			
Emergency reserve	151,000	-	151,000
Debt service	301,296	-	301,296
Unrestricted	<u>(50,120,573)</u>	<u>5,059,907</u>	<u>(45,060,666)</u>
Total net position	<u>\$ (49,668,277)</u>	<u>\$ 26,867,710</u>	<u>\$ (22,800,567)</u>

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

**MERIDIAN METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expenses) Revenues 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>	<b>Business-Type Activities</b>	<b>Total</b>
Primary government:							
Governmental activities:							
General government	\$ 2,726,805	\$ 24,750	\$ 116,871	\$ 694,600	\$ (1,890,584)	\$ -	\$ (1,890,584)
Transfer of capital assets to the Enterprise Fund	789,869	-	-	-	(789,869)	-	(789,869)
Interest on long-term debt and related costs	3,392,577	-	-	-	(3,392,577)	-	(3,392,577)
	<u>\$ 6,909,251</u>	<u>\$ 24,750</u>	<u>\$ 116,871</u>	<u>\$ 694,600</u>	<u>(6,073,030)</u>	<u>-</u>	<u>(6,073,030)</u>
Business-type activities:							
Water/sewer facilities	\$ 4,903,363	\$ 5,313,194	\$ -	\$ 789,869	-	1,199,700	1,199,700
	<u>\$ 4,903,363</u>	<u>\$ 5,313,194</u>	<u>\$ -</u>	<u>\$ 789,869</u>	<u>-</u>	<u>1,199,700</u>	<u>1,199,700</u>
General revenues:							
Property taxes					8,294,579	-	8,294,579
Specific ownership taxes					781,105	-	781,105
Net investment income					40,991	33,397	74,388
Other revenues					94,109	4,090	98,199
Transfers					(116,000)	116,000	-
Total general revenues and transfers					<u>9,094,784</u>	<u>153,487</u>	<u>9,248,271</u>
Change in net position					3,021,754	1,353,187	4,374,941
Net position - Beginning					(52,690,031)	25,514,523	(27,175,508)
Net position - Ending					<u>\$ (49,668,277)</u>	<u>\$ 26,867,710</u>	<u>\$ (22,800,567)</u>

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

**MERIDIAN METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 306,565	\$ -	\$ 6,313,292	\$ 6,619,857
Cash and investments - Restricted	151,000	532,751	-	683,751
Receivable - County Treasurer	35,996	30,319	-	66,315
Accounts receivable	4,301	-	-	4,301
Due from North Meridian	947	1,000	5,275	7,222
Due from South Meridian	143,410	3,000	40,392	186,802
Prepaid expense	40,206	-	-	40,206
Property taxes receivable	3,786,130	4,425,848	-	8,211,978
<b>TOTAL ASSETS</b>	<u>\$ 4,468,555</u>	<u>\$ 4,992,918</u>	<u>\$ 6,358,959</u>	<u>\$ 15,820,432</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 182,703	\$ 4,000	\$ 141,443	\$ 328,146
Due to North Meridian	-	283	9,000	9,283
Total liabilities	<u>182,703</u>	<u>4,283</u>	<u>150,443</u>	<u>337,429</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	3,786,130	4,425,848	-	8,211,978
Total deferred inflows of resources	<u>3,786,130</u>	<u>4,425,848</u>	<u>-</u>	<u>8,211,978</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid expense	40,206	-	-	40,206
Restricted for:				
Emergency reserves	151,000	-	-	151,000
Debt service	-	562,787	-	562,787
Assigned to:				
Subsequent year's expenditures	45,678	-	-	45,678
Capital projects	-	-	6,208,516	6,208,516
Unassigned	262,838	-	-	262,838
Total fund balances	<u>499,722</u>	<u>562,787</u>	<u>6,208,516</u>	<u>7,271,025</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 4,468,555</u>	<u>\$ 4,992,918</u>	<u>\$ 6,358,959</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,705,120
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Cost of refunding, net	941,700
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued bond interest payable	(261,491)
Bonds payable, net of discount	(66,324,631)
Net position of governmental activities	<u>\$ (49,668,277)</u>

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

**MERIDIAN METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ 4,532,621	\$ 3,761,958	\$ -	\$ 8,294,579
Specific ownership taxes	423,970	357,135	-	781,105
Intergovernmental	116,871	-	-	116,871
Building lease	24,750	-	-	24,750
In-lieu tax fees	113	293	-	406
Investment income	18,082	1,724	21,185	40,991
Reimbursed expenditures	15,170	-	754,226	769,396
Other income	15,620	-	3,287	18,907
Total revenues	<u>5,147,197</u>	<u>4,121,110</u>	<u>778,698</u>	<u>10,047,005</u>
<b>EXPENDITURES</b>				
Accounting	34,221	-	-	34,221
Audit	7,850	-	-	7,850
Board support	6,684	-	-	6,684
Contract services	143,253	-	-	143,253
Dues and subscriptions	18,843	-	-	18,843
Electric and gas	51,448	-	-	51,448
Engineering and consulting	10,015	-	-	10,015
Insurance	34,477	-	-	34,477
Irrigation (SMMD)	50,037	-	-	50,037
Landscaping	129,079	-	-	129,079
Legal	15,906	-	-	15,906
Office overhead	44,972	-	-	44,972
Operational support	1,901,747	-	-	1,901,747
Payroll tax	375	-	-	375
Support management	-	-	65,207	65,207
County Treasurer's fees	68,033	56,483	-	124,516
Debt service	-	4,683,444	-	4,683,444
Capital expenditures	-	-	1,352,276	1,352,276
Total expenditures	<u>2,516,940</u>	<u>4,739,927</u>	<u>1,417,483</u>	<u>8,674,350</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>2,630,257</u>	<u>(618,817)</u>	<u>(638,785)</u>	<u>1,372,655</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	<u>(2,704,945)</u>	<u>-</u>	<u>2,588,945</u>	<u>(116,000)</u>
Total other financing sources (uses)	<u>(2,704,945)</u>	<u>-</u>	<u>2,588,945</u>	<u>(116,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	(74,688)	(618,817)	1,950,160	1,256,655
<b>FUND BALANCES - BEGINNING OF YEAR</b>				
	574,410	1,181,604	4,258,356	6,014,370
<b>FUND BALANCES - END OF YEAR</b>				
	<u>\$ 499,722</u>	<u>\$ 562,787</u>	<u>\$ 6,208,516</u>	<u>\$ 7,271,025</u>

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

**MERIDIAN METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016**

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

Net change in fund balances - Total governmental funds \$ 1,256,655

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, net of depreciation and dedication of capital assets to other governments, in the current period.

Capital outlay	1,328,199
Depreciation expense	(120,581)
Transfer to the Enterprise Fund	(789,869)

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

Bond principal	1,500,000
----------------	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued bond interest payable - Change in liability	3,750
Amortization of bond discount	(45,817)
Amortization of cost of bond refunding	<u>(110,583)</u>

Changes in net position of governmental activities	<u><u>\$ 3,021,754</u></u>
--	----------------------------

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

**MERIDIAN METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Property taxes	\$ 4,702,059	\$ 4,532,621	\$ (169,438)
Specific ownership taxes	423,190	423,970	780
Intergovernmental (SMMD)	136,081	115,976	(20,105)
Intergovernmental (NMMD)	1,314	895	(419)
In-lieu tax fees	91	113	22
Building lease	24,750	24,750	-
Other income	-	15,620	15,620
Interest income	-	18,082	18,082
Reimbursed expenditures	14,000	15,170	1,170
Total revenues	<u>5,301,485</u>	<u>5,147,197</u>	<u>(154,288)</u>
<b>EXPENDITURES</b>			
Accounting	33,500	34,221	(721)
Audit	8,000	7,850	150
Board support	15,000	6,684	8,316
Contract services	213,500	143,253	70,247
Contingency	50,000	-	50,000
Dues and subscriptions	24,000	18,843	5,157
Electric and gas	80,000	51,448	28,552
Engineering and consulting	15,000	10,015	4,985
Insurance	32,800	34,477	(1,677)
Irrigation (SMMD)	45,000	50,037	(5,037)
Landscaping	168,500	129,079	39,421
Legal	25,000	15,906	9,094
Office overhead	35,000	44,972	(9,972)
Operational support	1,905,400	1,901,747	3,653
Payroll tax	450	375	75
County Treasurer's fees	70,530	68,033	2,497
Total expenditures	<u>2,721,680</u>	<u>2,516,940</u>	<u>204,740</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,579,805</u>	<u>2,630,257</u>	<u>50,452</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	<u>(2,579,733)</u>	<u>(2,704,945)</u>	<u>(125,212)</u>
Total other financing sources (uses)	<u>(2,579,733)</u>	<u>(2,704,945)</u>	<u>(125,212)</u>
<b>NET CHANGE IN FUND BALANCES</b>	72	(74,688)	(74,760)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	500,000	574,410	74,410
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 500,072</u>	<u>\$ 499,722</u>	<u>\$ (350)</u>

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

**MERIDIAN METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
December 31, 2016**

	<b>Enterprise</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 4,773,410
Cash and investments - DCC	305,836
Accounts receivable	500,518
Due from Goldsmith Metro	114,000
Prepaid expense	40,206
Total current assets	5,733,970
 <b>CAPITAL ASSETS</b>	
Water system	7,883,234
Wells	6,718,098
Wastewater treatment plant	9,506,199
Sewer system	9,460,227
Storm water system	3,082,378
Less accumulated depreciation	(14,842,333)
Total capital assets	21,807,803
 <b>TOTAL ASSETS</b>	 <b>\$ 27,541,773</b>
 <b>LIABILITIES AND NET POSITION</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 409,063
DCC security deposits	265,000
Total current liabilities	674,063
 <b>NET POSITION</b>	
Net investment in capital assets	21,807,803
Unrestricted	5,059,907
Total net position	26,867,710
 <b>TOTAL LIABILITIES AND NET POSITION</b>	 <b>\$ 27,541,773</b>

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

**MERIDIAN METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**Year Ended December 31, 2016**

	<b>Enterprise</b>
<b>OPERATING REVENUES</b>	
Service charges	\$ 5,038,136
Lease payments	233,708
Total operating revenues	5,271,844
<b>OPERATING EXPENSES</b>	
Cost of services	
Contract services	1,065,478
Electric and gas	746,845
Operational support	815,035
Water purchase/lease	305,511
Administration and general expenses	
Accounting	34,221
Audit	7,850
Dues and subscriptions	7,142
Engineering and consulting	224,997
Insurance	34,671
Legal	49,881
Materials and supplies	328,964
Office overhead	21,466
Repairs and maintenance	68,442
Support management	120,572
Depreciation	906,382
Total operating expenses	4,737,457
<b>OPERATING INCOME</b>	534,387
<b>NONOPERATING REVENUES AND EXPENSES</b>	
DCC fees	41,350
Interest income	33,397
Other income	4,090
DCC expenditures	(165,906)
Total nonoperating revenues and expenses	(87,069)
<b>OTHER FINANCING SOURCES (USES)</b>	
Contributed facilities	789,869
Transfers in (out)	116,000
Total other financing sources (uses)	905,869
<b>CHANGE IN NET POSITION</b>	1,353,187
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	25,514,523
<b>TOTAL NET POSITION - END OF YEAR</b>	\$ 26,867,710

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

**MERIDIAN METROPOLITAN DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
Year Ended December 31, 2016**

	<b>Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 4,817,105
Payments to suppliers	(4,072,573)
Other receipts	233,708
Net cash provided (required) by operating activities	978,240
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Other revenue	(64,560)
Other expenses	(165,906)
Transfers in (out)	116,000
Net cash provided (required) by noncapital financing activities	(114,466)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	33,397
Net cash provided (required) by investing activities	33,397
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	897,171
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	4,182,075
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 5,079,246</b>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>	
Operating income (loss)	\$ 534,387
Adjustments to reconcile operating (loss) to net cash provided (required) by operating activities	
Depreciation	906,382
(Increase) decrease in:	
Accounts receivable	(221,031)
Prepaid expense	(5,952)
Increase (decrease) in:	
Accounts payable	(235,546)
Net cash provided (required) by operating activities	<b>\$ 978,240</b>

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

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

Meridian Metropolitan District (the District) is a quasi-municipal corporation and political subdivision of the State of Colorado organized by order and decree of the District Court for Douglas County on September 30, 1980, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado. The District was organized to provide water and wastewater service, street construction, construction and maintenance of parks and recreation facilities, and public transportation. It derives its revenue principally from water and sewer sales and general property taxes.

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

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

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

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

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

**Government-wide and Fund Financial Statements**

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

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

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due,

The District reports the following major governmental funds:

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

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

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

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

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

The District reports the following major proprietary fund:

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

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

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

**Budgets**

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

**Pooled Cash and Investments**

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

Investments are carried at fair value.

**Cash Equivalents**

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

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

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

**Property Taxes**

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

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

**Accounts Receivable, Allowance for Doubtful Accounts**

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

**Capital Assets**

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

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

Building/equipment	25-50 years
Infrastructure	
Parks and recreation, street lights, signage	30-50 years
Water/sewer system	40 years
Conduit system	20 years

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

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

**Amortization**

**Cost of Bond Refunding**

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the defeased bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a reduction of bonds payable.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources ratably over the period of the bonds.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is reported in the governmental funds balance sheet and the statement of net position. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Equity**

***Net Position***

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

***Fund Balance***

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

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

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

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

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

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2016, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 11,699,103
Cash and investments - Restricted	<u>683,751</u>
Total cash and investments	<u>\$ 12,382,854</u>

Cash and investments as of December 31, 2016, consist of the following:

Deposits with financial institutions	\$ 780,285
Investments	<u>11,602,569</u>
Total cash and investments	<u>\$ 12,382,854</u>

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

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

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2016, the District's cash deposits had a bank statement balance of \$774,283 and a carrying balance of \$780,285.

**Investments**

The District has adopted a formal investment policy which follows state statutes regarding investments.

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

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

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

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

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

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

**Fair Value Measurement and Application**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

The District has invested in COLOTRUST, an external investment pool that records its investments at fair value and measures fair value using Level 2 inputs.

As of December 31, 2016, the District had the following investments:

<b>Investment</b>	<b>Maturity</b>	<b>Fair Value</b>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	<u>\$ 11,602,569</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's.

Total cash and investments as of December 31, 2016, amounted to \$12,382,854, of which \$305,836 was related to DCC covenant obligations,

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 4 - CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2016, follows:

	<u>Balance at December 31, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2016</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 842,552	\$ -	\$ -	\$ 842,552
Landscaping	2,238,132	96,516	-	2,334,648
Construction in progress				
Water system facilities	2,560,581	191,967	81,064	2,671,484
Wells	-	499,920	499,920	-
Sewer system facilities	-	208,885	208,885	-
Total capital assets, not being depreciated	<u>5,641,265</u>	<u>997,288</u>	<u>789,869</u>	<u>5,848,684</u>
Capital assets, being depreciated:				
Building/equipment	695,708	121,768	-	817,476
Conduit system	1,477,798	-	-	1,477,798
Parks and recreation	2,072,744	104,884	-	2,177,628
Street lights	1,411,179	104,259	-	1,515,438
Signage	677,430	-	-	677,430
Total capital assets, being depreciated	<u>6,334,859</u>	<u>330,911</u>	<u>-</u>	<u>6,665,770</u>
Less accumulated depreciation for:				
Building/equipment	402,101	14,504	-	416,605
Conduit system	1,329,580	17,003	-	1,346,583
Parks and recreation	1,009,367	39,247	-	1,048,614
Street lights	598,655	34,006	-	632,661
Signage	349,050	15,821	-	364,871
Total accumulated depreciation	<u>3,688,753</u>	<u>120,581</u>	<u>-</u>	<u>3,809,334</u>
Total capital assets, being depreciated, net	<u>2,646,106</u>	<u>210,330</u>	<u>-</u>	<u>2,856,436</u>
Governmental activities capital assets, net	<u>\$ 8,287,371</u>	<u>\$ 1,207,618</u>	<u>\$ 789,869</u>	<u>\$ 8,705,120</u>

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

	<u>Balance at December 31, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2016</u>
<b>Business-type Activities:</b>				
Capital assets, being depreciated:				
Water system facilities	\$ 7,802,170	\$ 81,064	\$ -	\$ 7,883,234
Wells	6,218,178	499,920	-	6,718,098
Wastewater treatment plant	9,506,199	-	-	9,506,199
Sewer system facilities	9,251,342	208,885	-	9,460,227
Storm water system	3,082,378	-	-	3,082,378
Total capital assets, being depreciated	<u>35,860,267</u>	<u>789,869</u>	<u>-</u>	<u>36,650,136</u>
Less accumulated depreciation for:				
Water system facilities	5,268,878	196,068	-	5,464,946
Wells	1,326,636	161,704	-	1,488,340
Wastewater treatment plant	1,336,221	237,655	-	1,573,876
Sewer system facilities	5,927,157	233,895	-	6,161,052
Storm water system	77,059	77,060	-	154,119
Total accumulated depreciation	<u>13,935,951</u>	<u>906,382</u>	<u>-</u>	<u>14,842,333</u>
Total capital assets, being depreciated, net	<u>21,924,316</u>	<u>(116,513)</u>	<u>-</u>	<u>21,807,803</u>
Business-type activities capital assets, net	<u>\$ 21,924,316</u>	<u>\$ (116,513)</u>	<u>\$ -</u>	<u>\$ 21,807,803</u>

Streets are recorded on the statements of the District until the local municipality accepts the completed streets for maintenance. After acceptance, the investment is transferred to the local municipality.

The District transferred the majority of its public infrastructure improvements to other entities for maintenance responsibility. The District is responsible for the repayment of bonds issued to construct the aforementioned improvements. Consequently, a deficit balance is reflected on the District's statement of net position. The historical value of all transferred improvements is \$29,187,623.

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

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

**Governmental Activities:**

General government	\$ 120,581
Total depreciation expense - Governmental activities	<u>\$ 120,581</u>

**Business-type Activities:**

Water/sewer facilities	\$ 906,382
Total depreciation expense - Business-type activities	<u>\$ 906,382</u>

**NOTE 5 - LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2016:

	Balance at December 31, 2015	Additions	Reductions	Balance at December 31, 2016	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds payable:					
Series 2011A Refunding Bonds	\$ 58,410,000	\$ -	\$1,280,000	\$ 57,130,000	\$ 1,315,000
Series 2011B Refunding Bonds	10,135,000	-	220,000	9,915,000	230,000
Total bonds payable	68,545,000	-	1,500,000	67,045,000	<u>\$ 1,545,000</u>
Bond discount	(766,186)	-	(45,817)	(720,369)	
Total long-term obligations	\$ 67,778,814	\$ -	\$1,454,183	\$ 66,324,631	

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

On October 27, 2011, the District fully refunded and defeased (debt legally satisfied) the Series 2001A General Obligation Refunding Bonds, dated September 1, 2001, with an average interest rate of approximately 5.0% and the Series 2001B General Obligation Refunding and Improvement Bonds, dated September 1, 2001, with an average interest rate of approximately 5.0% by the issuance of \$59,650,000 General Obligation Refunding Bonds, Series 2011A with interest rates ranging from 3.0% to 5.0% and \$10,350,000 General Obligation Refunding Bonds, Series 2011B with interest rates ranging from 3.0% to 5.0%. The defeased bonds are not considered a liability of the District since sufficient funds (\$68,543,724) were deposited with a trustee and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds when due. The Series 2011A and 2011B Bonds maturing on or before December 1, 2021, are not subject to redemption prior to maturity at the option of the District. The Series 2011A and 2011B Bonds maturing on or after December 1, 2022, are subject to redemption prior to maturity at the option of the District.

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,545,000	\$ 3,137,894	\$ 4,682,894
2018	1,590,000	3,091,544	4,681,544
2019	1,640,000	3,043,844	4,683,844
2020	1,715,000	2,970,044	4,685,044
2021	1,790,000	2,892,869	4,682,869
2022-2026	10,090,000	13,333,895	23,423,895
2027-2031	12,515,000	10,905,177	23,420,177
2032-2036	15,885,000	7,528,750	23,413,750
2037-2041	20,275,000	3,139,750	23,414,750
Total	<u>\$ 67,045,000</u>	<u>\$ 50,043,767</u>	<u>\$ 117,088,767</u>

On November 2, 1999, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$25,000,000 for the financing of new improvements and \$85,000,000 for the purposes of debt refunding. At December 31, 2016, the District had authorized but unissued indebtedness remaining in the amounts of \$14,166,895 for the financing of new improvements and \$12,929,460 for the purposes of debt refunding.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**NOTE 6 - NET POSITION**

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2016, the District had net investment in capital assets calculated as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>
Net investment in capital assets:		
Capital assets, net	\$ -	\$ 21,807,803
Net investment in capital assets	<u>\$ -</u>	<u>\$ 21,807,803</u>

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 6 - NET POSITION (CONTINUED)**

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2016, as follows:

	<b>Governmental Activities</b>	<b>Business- type Activities</b>
Restricted net position:		
Emergencies	\$ 151,000	\$ -
Debt service reserve	301,296	-
Total restricted net position	\$ 452,296	\$ -

The District has a deficit in unrestricted net position for governmental activities. The deficit amount in the governmental activities is a result of the District being responsible for repayment of bonds issued for public improvements which were conveyed to other governmental entities and to the Enterprise Fund and which costs were removed from the District's financial records.

**NOTE 7 - RELATED PARTY TRANSACTIONS**

The Developer of the property within the District is Shea Colorado, LLC and its affiliates Shea, or Developer). Three of the five Board members of the District are employed by or provide services to a business or businesses that are involved with, may become involved with, or are directly and substantially affected by the activities of the District, and all Board members own real property that is located in the District. These relationships and ownerships, in certain circumstances, may give the appearance that conflicting interests could affect their official activities as Board members but as a general matter they do not disqualify them to serve as Board members. As and when required by law, each affected Board member files a written disclosure of any potential conflicts of interest with the District and the Colorado Secretary of State, and they refrain from voting on affected matters unless allowed by law.

The Developer, through various related entities, performs certain maintenance and management functions for the District and the District provides certain facilities to the Developer. During 2016, the District paid \$4,970,365 (including payments of \$451,877 for materials passed through to the District and \$1,134,217 for pass through items to subcontractors) to the Developer.

The District received payments from the Developer of approximately \$42,387. At December 31, 2016, \$412,180 in related party amounts are included in accounts payable.

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 7 - RELATED PARTY TRANSACTIONS (CONTINUED)**

In 1984, the District and the Developer of the property at that time entered into an agreement pursuant to which the Developer purchases capacity in the District's water and sewer systems. The agreement has been amended several times and currently is contained in the October 3, 2000, Amended and Restated Water and Sewer Tap Purchase Agreement (the Tap Purchase Agreement) between the District and several developer entities. The Tap Purchase Agreement states that the Developer or its predecessors have made tap purchase payments to the District in the amount of \$61,403,590, and the Developer possessed the right to 4,017 taps, each representing a single family equivalent unit of capacity in the system. The Developer is required, upon the request of the District, to allocate and sell such taps to third parties desiring to connect to the system at prices and terms set forth in the Tap Purchase Agreement. In 2016, the Developer received \$6,031,000 in service and connection fees. At December 31, 2016, the Developer possessed the rights to 1,057 taps. At December 31, 2016, the District had \$-0- in accounts payable for service and connection fees.

**NOTE 8 - AGREEMENTS**

**Connector Agreements**

On October 1, 1998, the District and the Developer entered into an agreement whereby the District will provide water and sewer connections to a parcel of land south of the District's boundaries, which is the South Meridian Metropolitan District (SMMD). The Developer of SMMD will provide available water to the District's water supply system in sufficient volume to enable the District to make water taps available to the SMMD property without using or impairing the water rights presently owned by the District. The SMMD Developer will construct the needed lines and, upon completion, will convey them to the District for maintenance and operations. As permitted by the agreement, these responsibilities were assigned by the Developer to the South Meridian Metropolitan District, and restated in a Regional Facilities Agreement.

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

On June 6, 2000, the District entered into an agreement (restated June 1, 2003, and amended December 7, 2004) whereby the District will provide water and sewer connections to a parcel of land, which constitutes Meridian Village Metropolitan District No. 1 and Meridian Village Metropolitan District No. 2 (Meridian Village No. 1 and Meridian Village No. 2, respectively). Meridian Village No. 1 and No. 2 will make water available to the District's water supply system in sufficient volume to enable the District to make water connections available to the Meridian Village No. 1 and No. 2 properties without using or impairing the water rights presently owned by the District. Meridian Village No. 1 and No. 2 will construct the needed lines and, upon completion, will convey them to the District for maintenance and operations.

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 8 – AGREEMENTS (CONTINUED)**

**Covenant Obligations**

Effective December 1, 2004, the District entered into an agreement regarding covenant obligations and support services with TCD North, Inc. (North), Meridian Associates East (MAE), Meridian Associates West (MAW), Meridian-MB Investments, LLC (Meridian-MB), the Design Control Committee of Meridian International Business Center (Meridian DCC), the Design Control Committee of Meridian Commons (Meridian Commons DCC) and the Design Control Committee of Meridian (North Area) (Meridian North DCC). The Design Control Committees were created to administer the protective covenants of properties which lie in the District's service area. With this agreement, North, MAE, MAW, and the Design Control Committees have delegated to the District the responsibility for the performance of certain functions and duties pursuant to the protective covenants. Due to North's familiarity and involvement with matters relating to the protective covenants, the parties agreed that North would continue to provide the services needed to administer the covenants. All of North's rights and obligations have been assigned to Shea (as defined in Note 7). Design Control Committees will continue to bear responsibility for and exercise all the powers granted and/or assigned to them in the protective covenants,

Effective January 1, 2013, the agreement was updated to include provisions for the District to fund DCC to the extent that the service charges are not sufficient to cover the full cost of the operations. The agreement terminates on December 31, 2022.

For each calendar year following 2013, the management fee shall be \$180,000 increased by the Denver-Boulder CPI for the prior year for the duration of the obligation. The fees invoiced by and paid to Shea for 2016 were \$160,000.

At December 31, 2016, the District had \$305,836 in cash and investments related to the DCC covenant obligations comprised of payables and security deposits being held by the District.

**NOTE 9 - DISTRICT COST SHARING PARTICIPATION AGREEMENTS**

**South Metro Water Supply Authority**

In 2000, the District signed a participation agreement for funding of the South Metro Water Supply Authority (SMWSA) to define water strategies to meet near and long-term water needs of the south metro area. In 2016, the District paid \$16,990 to SMWSA.

**South Metro WISE Authority**

On July 10, 2013, the District entered into the South Metro WISE (Water, Infrastructure and Supply Efficiency) Authority Formation and Organizational Intergovernmental Agreement. This Agreement commits the District to participate in the WISE Partnership through the South Metro WISE Authority. The Agreement also defines how costs will be shared between participating members. The District has committed to subscribing to 300 acre feet (AF) out of a total of 7,225 AF (4.15%) of renewable water to be delivered annually from the WISE Partnership. During 2016, the District paid WISE \$31,068 for administrative costs.

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 9 - DISTRICT COST SHARING PARTICIPATION AGREEMENTS (CONTINUED)**

The WISE Partnership entered into the WISE Partnership – Water Delivery Agreement between the City and County of Denver, acting by and through its Board of Water Commissioners, the City of Aurora acting by and through its Utility Enterprise, and the South Metro WISE Authority. The Water Delivery Agreement is the overarching agreement that defines the terms under which Denver and Aurora will deliver water to the South Metro WISE Authority members. There were engineering design and construction contracts required to transport water to be entered into by the South Metro WISE Authority during 2013, 2014, and 2015 in order to begin taking deliveries of water in 2016. It is anticipated that the District will be responsible for approximately \$3,200,000 in capital costs to transport water. As of December 31, 2016, the District has spent \$2,372,016 in capital costs. Additionally, there will be subscription fees, WISE operations and maintenance costs, WISE capital costs, District variable pumping costs, and the District's share of operating and maintenance costs which will be billed based upon water delivered. As of December 31, 2016, no water has been delivered. The District is responsible for paying its share of 4.15% of the WISE Operations based on the District's infrastructure capacity. Operational costs for 2016 were \$15,986.

**NOTE 10 - RISK MANAGEMENT**

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

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

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

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

**Water Lease**

The District has entered into a lease for water rights from the Developer, which together with water rights owned by the District, are sufficient to meet current demand within the District's service area. The original term of the lease is fifty (50) years, 1982 through 2032, with two 35-year renewal options and provisions for annual adjustments. Total lease payments were \$256,286 for the year ended December 31, 2016.

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 12 - REGIONAL FACILITIES AGREEMENTS**

The District has entered into separate Regional Facilities Agreements (RFA), dated January 1, 1999, with South Meridian Metropolitan District (South Meridian) and North Meridian Metropolitan District (North Meridian). The purpose of each RFA is to set forth the rights and obligations of North Meridian and South Meridian to issue indebtedness to fund, and for the District to construct, own or transfer, and operate and maintain, public facilities that benefit each district. The District is obligated to acquire all necessary water rights for the provision of water supply for the full estimated build out of North and South Meridian, and to manage construction of improvements and handle the books and records of each district. North and South Meridian are obligated to fund the improvements through limited tax obligation debt or other revenues that are legally available. During 2016, the District received intergovernmental revenue of \$115,976 and \$895 from South and North Meridian, respectively, pursuant to this agreement.

**NOTE 13 - TAX, SPENDING AND DEBT LIMITATION**

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

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

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

On November 7, 1995, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District for 1995 and any year thereafter, without regard to any limitations under TABOR.

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

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

**MERIDIAN METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016**

**NOTE 14 - INTERFUND TRANSFERS**

The transfer from the General Fund to the Capital Projects Fund was to support budgeted capital expenditures.

The transfer from the General Fund to the Enterprise Fund was to support budgeted DCC expenditures.

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

**SUPPLEMENTARY INFORMATION**

**MERIDIAN METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
Year Ended December 31, 2016**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 3,787,912	\$ 3,761,958	\$ (25,954)
Specific ownership taxes	340,910	357,135	16,225
In-lieu tax fees	235	293	58
Investment income	3,000	1,724	(1,276)
Total revenues	<u>4,132,057</u>	<u>4,121,110</u>	<u>(10,947)</u>
<b>EXPENDITURES</b>			
Bond interest	3,182,894	3,182,894	-
Bond principal	1,500,000	1,500,000	-
Contingency	10,000	-	10,000
Paying agent fees	1,000	550	450
County Treasurer's fees	56,819	56,483	336
Total expenditures	<u>4,750,713</u>	<u>4,739,927</u>	<u>10,786</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(618,656)	(618,817)	(161)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>1,183,034</u>	<u>1,181,604</u>	<u>(1,430)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 564,378</u>	<u>\$ 562,787</u>	<u>\$ (1,591)</u>

**MERIDIAN METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Investment income	\$ 15,000	\$ 21,185	\$ 6,185
Reimbursed expenditures	5,000	754,226	749,226
Miscellaneous income	-	3,287	3,287
Total revenues	<u>20,000</u>	<u>778,698</u>	<u>758,698</u>
<b>EXPENDITURES</b>			
Support management	67,725	65,207	2,518
Capital outlay			
BPS1 VFD conversion	121,000	7,140	113,860
Conduit system	30,000	-	30,000
Contingency	500,000	13,367	486,633
Digester repair/upgrade	200,000	-	200,000
Gazebo restoration	-	12,791	(12,791)
Havana - reconfigure street and signal	400,000	770	399,230
Headquarter restoration	100,000	121,768	(21,768)
Isolation valve BPS II	-	38,864	(38,864)
Jamaica street	-	9,450	(9,450)
Jamaica triangle wall	25,000	-	25,000
Lift station A rebuild/rehab	-	490	(490)
Median landscape restoration	300,000	96,516	203,484
MS4 permit	500,000	-	500,000
Painting/coating water/sewage facilities	60,000	-	60,000
Parking area for softball fields	150,000	92,093	57,907
Potable storage tank upgrades	10,000	-	10,000
Repair 470 sign	25,000	-	25,000
Restart wells	670,790	499,920	170,870
SCADA phase 2 implementation	250,000	208,885	41,115
Signage/monumentation	350,000	-	350,000
Stone veneer for Liberty Outfalls	40,000	-	40,000
Street and light restoration	250,000	104,259	145,741
Trailer mounted pump	45,000	42,200	2,800
WISE - ECCV water pipeline tie-in	940,570	103,763	836,807
Total expenditures	<u>5,035,085</u>	<u>1,417,483</u>	<u>3,617,602</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,015,085)</u>	<u>(638,785)</u>	<u>4,376,300</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	<u>2,399,733</u>	<u>2,588,945</u>	<u>189,212</u>
Total other financing sources (uses)	<u>2,399,733</u>	<u>2,588,945</u>	<u>189,212</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,615,352)	1,950,160	4,565,512
<b>FUND BALANCES - BEGINNING OF YEAR</b>	3,964,460	4,258,356	293,896
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,349,108</u>	<u>\$ 6,208,516</u>	<u>\$ 4,859,408</u>

**MERIDIAN METROPOLITAN DISTRICT  
 PROPRIETARY FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Water sales - Irrigation	\$ 850,000	\$ 1,397,196	\$ 547,196
Water sales - Potable	1,300,000	1,882,209	582,209
Meter rental	50,000	-	(50,000)
Sewer sales	1,000,000	1,758,731	758,731
Conduit lease	277,865	225,458	(52,407)
Building lease	8,250	8,250	-
DCC fees	50,000	41,350	(8,650)
Reimbursed expenditures	4,000	869	(3,131)
Investment income	500	33,397	32,897
Miscellaneous income	5,000	3,221	(1,779)
Total revenues	<u>3,545,615</u>	<u>5,350,681</u>	<u>1,805,066</u>
<b>EXPENDITURES</b>			
Cost of services			
Contract services	825,000	1,065,478	(240,478)
Electric and gas	675,000	746,845	(71,845)
Operational support	816,600	815,035	1,565
Water purchase/lease	200,000	305,511	(105,511)
Administration and general expenses			
DCC expenditures	200,000	165,906	34,094
Accounting	33,500	34,221	(721)
Audit	8,000	7,850	150
Dues and subscriptions	12,250	7,142	5,108
Engineering and consulting	90,000	224,997	(134,997)
Insurance	31,700	34,671	(2,971)
Legal	75,000	49,881	25,119
Materials and supplies	507,500	328,964	178,536
Office overhead	15,000	21,466	(6,466)
Support management	125,775	120,572	5,203
Capital expenditures	1,576,000	68,442	1,507,558
Total expenditures	<u>5,191,325</u>	<u>3,996,981</u>	<u>1,194,344</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,645,710)</u>	<u>1,353,700</u>	<u>2,999,410</u>

(Continued)

**MERIDIAN METROPOLITAN DISTRICT  
 PROPRIETARY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 Year Ended December 31, 2016  
 (Continued)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	180,000	116,000	(64,000)
Total other financing sources (uses)	<u>180,000</u>	<u>116,000</u>	<u>(64,000)</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	 <u>\$ (1,465,710)</u>	 <u>\$ 1,469,700</u>	 <u>\$ 2,935,410</u>

**MERIDIAN METROPOLITAN DISTRICT**  
**PROPRIETARY FUND**  
**RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**Year Ended December 31, 2016**  
(Continued)

	<b>Actual</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES (BUDGETARY BASIS)</b>	<b>\$ 1,469,700</b>
Add:	
Contributed facilities	789,869
Curent year capital outlay	-
Deduct:	
Depreciation	(906,382)
<b>CHANGE IN NET POSITION</b>	<b>1,353,187</b>
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>	<b>25,514,523</b>
<b>TOTAL NET POSITION - END OF YEAR</b>	<b>\$ 26,867,710</b>

**MERIDIAN METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2016**

**\$59,650,000 General Obligation  
Refunding Bonds  
Interest Rate - 3.0% to 5.0%  
Series 2011A  
Dated October 27, 2011  
Interest Payable  
June 1 and December 1  
Principal Payable December 1**

<b>Bonds and Interest Maturing in the year ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 1,315,000	\$ 2,675,419	\$ 3,990,419
2018	1,355,000	2,635,969	3,990,969
2019	1,395,000	2,595,319	3,990,319
2020	1,460,000	2,532,544	3,992,544
2021	1,525,000	2,466,844	3,991,844
2022	1,585,000	2,409,656	3,994,656
2023	1,645,000	2,350,219	3,995,219
2024	1,715,000	2,276,194	3,991,194
2025	1,785,000	2,205,450	3,990,450
2026	1,865,000	2,129,588	3,994,588
2027	1,940,000	2,050,325	3,990,325
2028	2,025,000	1,965,450	3,990,450
2029	2,125,000	1,866,763	3,991,763
2030	2,230,000	1,763,325	3,993,325
2031	2,340,000	1,654,900	3,994,900
2032	2,450,000	1,541,250	3,991,250
2033	2,575,000	1,418,750	3,993,750
2034	2,700,000	1,290,000	3,990,000
2035	2,835,000	1,155,000	3,990,000
2036	2,980,000	1,013,250	3,993,250
2037	3,130,000	864,250	3,994,250
2038	3,285,000	707,750	3,992,750
2039	3,450,000	543,500	3,993,500
2040	3,620,000	371,000	3,991,000
2041	3,800,000	190,000	3,990,000
	<b>\$ 57,130,000</b>	<b>\$ 42,672,715</b>	<b>\$ 99,802,715</b>

**\$10,350,000 General Obligation  
Refunding Bonds  
Interest Rate - 3.0% to 5.0%  
Series 2011B  
Dated October 27, 2011  
Interest payable  
June 1 and December 1  
Principal payable December 1**

<b>Principal payable December 1</b>			<b>Total</b>		
<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
\$ 230,000	\$ 462,475	\$ 692,475	\$ 1,545,000	\$ 3,137,894	\$ 4,682,894
235,000	455,575	690,575	1,590,000	3,091,544	4,681,544
245,000	448,525	693,525	1,640,000	3,043,844	4,683,844
255,000	437,500	692,500	1,715,000	2,970,044	4,685,044
265,000	426,025	691,025	1,790,000	2,892,869	4,682,869
275,000	416,088	691,088	1,860,000	2,825,744	4,685,744
285,000	405,775	690,775	1,930,000	2,755,994	4,685,994
300,000	392,950	692,950	2,015,000	2,669,144	4,684,144
310,000	380,575	690,575	2,095,000	2,586,025	4,681,025
325,000	367,400	692,400	2,190,000	2,496,988	4,686,988
340,000	353,588	693,588	2,280,000	2,403,913	4,683,913
355,000	338,713	693,713	2,380,000	2,304,163	4,684,163
370,000	321,850	691,850	2,495,000	2,188,613	4,683,613
385,000	304,275	689,275	2,615,000	2,067,600	4,682,600
405,000	285,988	690,988	2,745,000	1,940,888	4,685,888
425,000	266,750	691,750	2,875,000	1,808,000	4,683,000
445,000	245,500	690,500	3,020,000	1,664,250	4,684,250
470,000	223,250	693,250	3,170,000	1,513,250	4,683,250
490,000	199,750	689,750	3,325,000	1,354,750	4,679,750
515,000	175,250	690,250	3,495,000	1,188,500	4,683,500
540,000	149,500	689,500	3,670,000	1,013,750	4,683,750
570,000	122,500	692,500	3,855,000	830,250	4,685,250
595,000	94,000	689,000	4,045,000	637,500	4,682,500
625,000	64,250	689,250	4,245,000	435,250	4,680,250
660,000	33,000	693,000	4,460,000	223,000	4,683,000
<b>\$ 9,915,000</b>	<b>\$ 7,371,052</b>	<b>\$ 17,286,052</b>	<b>\$ 67,045,000</b>	<b>\$ 50,043,767</b>	<b>\$117,088,767</b>

**MERIDIAN METROPOLITAN DISTRICT  
SUMMARY OF ASSESSED VALUATION, MILL LEVY,  
AND PROPERTY TAXES COLLECTED  
December 31, 2016**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General Fund	Debt Service	Levied	Collected	
2008	\$ 165,804,655	8.237	32.468	\$ 6,680,880	\$ 6,378,732	95.5%
2009	\$ 161,480,140	8.367	32.468	\$ 6,524,943	\$ 6,248,814	95.8%
2010	\$ 166,794,590	9.260	29.818	\$ 6,441,054	\$ 6,634,416	103.0%
2011	\$ 163,092,400	14.421	29.818	\$ 7,094,506	\$ 6,634,416	93.5%
2012	\$ 142,470,510	36.821	1.169	\$ 5,100,759	\$ 4,819,778	94.5%
2013	\$ 143,496,930	23.000	21.000	\$ 6,099,502	\$ 5,919,273	97.0%
2014	\$ 157,288,322	24.000	22.000	\$ 6,931,133	\$ 6,814,506	98.3%
2015	\$ 165,692,390	27.000	22.000	\$ 7,764,262	\$ 7,719,063	99.4%
2016:						
Debt service	\$ 177,800,520 <sup>(1)</sup>		21.000	\$ 3,733,810	\$ 3,761,958	
Operational	\$ 159,824,190 <sup>(1)</sup>	29.000		4,634,901	4,532,621	
				<u>\$ 8,368,711</u>	<u>\$ 8,294,579</u>	99.1%
Estimated for calendar year December 31, 2017:						
Debt service	\$ 174,335,460 <sup>(1)</sup>		25.000	\$ 4,425,848		
Operational	\$ 155,350,790 <sup>(1)</sup>	24.000		3,786,130		
				<u>\$ 8,211,978</u>		

**Note:**

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years or the abatement of taxes levied. Information received from the County Treasurer does not permit identification of a specific year of levy.

<sup>(1)</sup> Certain properties within the District are included for the debt service mill levy, but excluded for general fund purposes as a result of the residents electing to be excluded from the District's services.

**CONTINUING DISCLOSURE OBLIGATION**

**MERIDIAN METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
Year Ended December 31, 2016**

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

	<u>2016</u>			<u>2017</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 4,702,059	\$ 4,532,621	\$ (169,438)	\$3,786,130
Specific ownership taxes	423,190	423,970	780	340,750
Intergovernmental	137,395	116,871	(20,524)	136,519
Building lease	24,750	24,750	-	24,750
In-lieu tax fees	91	113	22	113
Reimbursed expenditures	14,000	15,170	1,170	14,000
Net investment income	-	18,082	18,082	-
Other income	-	15,620	15,620	-
Total	<u>5,301,485</u>	<u>5,147,197</u>	<u>(154,288)</u>	<u>4,302,262</u>
<b>EXPENDITURES</b>				
Accounting and audit	41,500	42,071	(571)	41,500
Board support	15,000	6,684	8,316	15,000
Contract services	213,500	143,253	70,247	222,500
Dues and subscriptions	24,000	18,843	5,157	30,000
Electric and gas	80,000	51,448	28,552	80,000
Engineering and consulting	15,000	10,015	4,985	15,000
Insurance	32,800	34,477	(1,677)	36,200
Irrigation	45,000	50,037	(5,037)	45,000
Landscaping	168,500	129,079	39,421	147,000
Legal	25,000	15,906	9,094	25,000
Office overhead	35,000	44,972	(9,972)	35,000
Operational support	1,905,400	1,901,747	3,653	2,026,500
Payroll tax	450	375	75	450
County Treasurer's fees	70,530	68,033	2,497	56,790
Contingency	50,000	-	50,000	50,000
Total	<u>2,721,680</u>	<u>2,516,940</u>	<u>204,740</u>	<u>2,825,940</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,579,805</u>	<u>2,630,257</u>	<u>50,452</u>	<u>1,476,322</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)	<u>(2,579,733)</u>	<u>(2,704,945)</u>	<u>(125,212)</u>	<u>(1,522,000)</u>
Total other financing sources (uses)	<u>(2,579,733)</u>	<u>(2,704,945)</u>	<u>(125,212)</u>	<u>(1,522,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	72	(74,688)	(74,760)	(45,678)
<b>FUND BALANCES - BEG. OF YEAR</b>	500,000	574,410	74,410	552,303
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 500,072</u>	<u>\$ 499,722</u>	<u>\$ (350)</u>	<u>\$ 506,625</u>

(Continued)

**MERIDIAN METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
Year Ended December 31, 2016**

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

	<u>2016</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 3,787,912	\$ 3,761,958	\$ (25,954)	\$ 4,425,848
Specific ownership taxes	340,910	357,135	16,225	398,330
In-lieu tax fees	235	293	58	300
Investment income	3,000	1,724	(1,276)	2,000
Total revenues	<u>4,132,057</u>	<u>4,121,110</u>	<u>(10,947)</u>	<u>4,826,478</u>
<b>EXPENDITURES</b>				
County Treasurer's fees	56,819	56,483	336	66,388
Bond principal	1,500,000	1,500,000	-	1,545,000
Bond interest	3,182,894	3,182,894	-	3,137,894
Paying agent fees	1,000	550	450	1,000
Contingency	10,000	-	10,000	10,000
Total expenditures	<u>4,750,713</u>	<u>4,739,927</u>	<u>10,786</u>	<u>4,760,282</u>
<b>NET CHANGE IN FUND BALANCES</b>	(618,656)	(618,817)	(161)	66,196
<b>FUND BALANCES - BEG. OF YEAR</b>	<u>1,183,034</u>	<u>1,181,604</u>	<u>(1,430)</u>	<u>552,325</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 564,378</u>	<u>\$ 562,787</u>	<u>\$ (1,591)</u>	<u>\$ 618,521</u>

(Continued)

**MERIDIAN METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
Year Ended December 31, 2016**

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

	<u>2016</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>
<b>REVENUES</b>				
Investment income	\$ 15,000	\$ 21,185	\$ 6,185	\$ 45,000
Reimbursed expenditures	5,000	754,226	749,226	5,000
Miscellaneous income	-	3,287	3,287	-
Total revenues	<u>20,000</u>	<u>778,698</u>	<u>758,698</u>	<u>50,000</u>
<b>EXPENDITURES</b>				
Support management	67,725	65,207	2,518	67,725
Capital outlay	4,967,360	1,352,276	3,615,084	4,999,941
Total expenditures	<u>5,035,085</u>	<u>1,417,483</u>	<u>3,617,602</u>	<u>5,067,666</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,015,085)</u>	<u>(638,785)</u>	<u>4,376,300</u>	<u>(5,017,666)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>				
Operating transfers in (out)	2,399,733	2,588,945	189,212	1,372,000
Total other financing sources (uses)	<u>2,399,733</u>	<u>2,588,945</u>	<u>189,212</u>	<u>1,372,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,615,352)	1,950,160	4,565,512	(3,645,666)
<b>FUND BALANCES - BEG. OF YEAR</b>	<u>3,964,460</u>	<u>4,258,356</u>	<u>293,896</u>	<u>5,723,536</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,349,108</u>	<u>\$ 6,208,516</u>	<u>\$ 4,859,408</u>	<u>\$ 2,077,870</u>

(Continued)

**MERIDIAN METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
Year Ended December 31, 2016**

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>REVENUES</b>					
Property taxes	\$ 4,661,738	\$ 2,991,700	\$ 3,412,664	\$ 4,093,973	\$ 4,532,621
Specific ownership taxes	379,100	255,851	331,198	393,371	423,970
Intergovernmental	89,331	98,761	88,704	113,910	116,871
Building lease	24,750	24,750	24,750	24,750	24,750
In-lieu tax fees	3,292	76	91	91	113
Reimbursed expenditures	8,955	13,662	9,446	15,026	15,170
Net investment income	-	-	-	-	18,082
Other income	982	3,686	-	4,077	15,620
Total	<u>5,168,148</u>	<u>3,388,486</u>	<u>3,866,853</u>	<u>4,645,198</u>	<u>5,147,197</u>
<b>EXPENDITURES</b>					
Accounting and audit	36,271	38,492	38,916	41,086	42,071
Board support	9,296	10,478	7,859	6,941	6,684
Contract services	101,902	101,131	149,449	141,752	143,253
Dues and subscriptions	1,850	15,650	26,273	19,998	18,843
Electric and gas	50,034	49,364	52,373	47,487	51,448
Engineering and consulting	9,768	42,119	10,797	21,635	10,015
Insurance	12,160	22,872	37,571	31,280	34,477
Irrigation (SMMD)	10,656	65,664	-	21,349	50,037
Interest expense on tax abatements	38,756	2,729	3,393	-	-
Landscaping	94,508	76,800	87,822	138,024	129,079
Legal	11,064	14,853	17,365	20,888	15,906
Office overhead	26,102	30,117	27,212	31,319	44,972
Operational support	1,302,095	1,457,193	1,667,480	1,777,283	1,901,747
Payroll tax	-	448	413	344	375
County Treasurer's fees	69,624	44,863	51,182	61,448	68,033
Total	<u>1,774,086</u>	<u>1,972,773</u>	<u>2,178,105</u>	<u>2,360,834</u>	<u>2,516,940</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,394,062</u>	<u>1,415,713</u>	<u>1,688,748</u>	<u>2,284,364</u>	<u>2,630,257</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in (out)	<u>(3,300,000)</u>	<u>(2,090,319)</u>	<u>(1,534,997)</u>	<u>(2,280,000)</u>	<u>(2,704,945)</u>
Total other financing sources (uses)	<u>(3,300,000)</u>	<u>(2,090,319)</u>	<u>(1,534,997)</u>	<u>(2,280,000)</u>	<u>(2,704,945)</u>
<b>NET CHANGE IN FUND BALANCES</b>	94,062	(674,606)	153,751	4,364	(74,688)
<b>FUND BALANCES - BEG. OF YEAR</b>	<u>996,839</u>	<u>1,090,901</u>	<u>416,295</u>	<u>570,046</u>	<u>574,410</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,090,901</u>	<u>\$ 416,295</u>	<u>\$ 570,046</u>	<u>\$ 574,410</u>	<u>\$ 499,722</u>

(Continued)

**MERIDIAN METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
Year Ended December 31, 2016**

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>REVENUES</b>					
Property taxes	\$ 158,040	\$ 2,927,573	\$ 3,401,842	\$ 3,625,090	\$ 3,761,958
Specific ownership taxes	12,808	249,811	290,789	353,162	357,135
In-lieu tax fees	8,383	195	235	235	293
Investment income	5,302	5,476	6,703	10,833	1,724
Total	<u>184,533</u>	<u>3,183,055</u>	<u>3,699,569</u>	<u>3,989,320</u>	<u>4,121,110</u>
<b>EXPENDITURES</b>					
County Treasurer's fees	2,362	43,902	51,016	54,408	56,483
Debt service	3,229,993	3,230,031	3,231,134	4,682,094	4,683,444
Total	<u>3,232,355</u>	<u>3,273,933</u>	<u>3,282,150</u>	<u>4,736,502</u>	<u>4,739,927</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	<u>(3,047,822)</u>	<u>(90,878)</u>	<u>417,419</u>	<u>(747,182)</u>	<u>(618,817)</u>
Bond issuance	-	-	-	-	-
Bond discount	-	-	-	-	-
Payment to refunding escrow agent	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>(3,047,822)</u>	<u>(90,878)</u>	<u>417,419</u>	<u>(747,182)</u>	<u>(618,817)</u>
<b>FUND BALANCES - BEG. OF YEAR</b>	<u>4,650,067</u>	<u>1,602,245</u>	<u>1,511,367</u>	<u>1,928,786</u>	<u>1,181,604</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,602,245</u>	<u>\$ 1,511,367</u>	<u>\$ 1,928,786</u>	<u>\$ 1,181,604</u>	<u>\$ 562,787</u>

(Continued)

**MERIDIAN METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
Year Ended December 31, 2016**

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>REVENUES</b>					
Investment income	\$ 15,903	\$ 12,787	\$ 10,610	\$ 11,721	\$ 21,185
Reimbursed expenditures	4,415	9,150	-	-	754,226
Miscellaneous income	-	58,220	-	-	3,287
Total	<u>20,318</u>	<u>80,157</u>	<u>10,610</u>	<u>11,721</u>	<u>778,698</u>
<b>EXPENDITURES</b>					
Capital outlay	643,105	1,396,404	2,644,278	2,623,511	1,352,276
Support management	58,860	60,935	63,702	64,720	65,207
Total	<u>701,965</u>	<u>1,457,339</u>	<u>2,707,980</u>	<u>2,688,231</u>	<u>1,417,483</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(681,647)</u>	<u>(1,377,182)</u>	<u>(2,697,370)</u>	<u>(2,676,510)</u>	<u>(638,785)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>					
Gain on conveyance of water capital	-	-	660,000	-	-
Operating transfers in	3,300,000	2,775,000	1,725,000	2,130,000	2,588,945
Total other financing sources (uses)	<u>3,300,000</u>	<u>2,775,000</u>	<u>2,385,000</u>	<u>2,130,000</u>	<u>2,588,945</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,618,353	1,397,818	(312,370)	(546,510)	1,950,160
<b>FUND BALANCES - BEG. OF YEAR</b>	<u>1,101,065</u>	<u>3,719,418</u>	<u>5,117,236</u>	<u>4,804,866</u>	<u>4,258,356</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,719,418</u>	<u>\$ 5,117,236</u>	<u>\$ 4,804,866</u>	<u>\$ 4,258,356</u>	<u>\$ 6,208,516</u>

(Continued)

**MERIDIAN METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
December 31, 2016**

**HISTORY OF ASSESSED VALUATIONS FOR THE DISTRICT  
(UNAUDITED)**

Levy/ Collection Year	Property Within the District and the 2003-06 Excluded Property (Series 2011B Property)		1999 Excluded Property		Total (Series 2011A Property)
	Assessed Valuation	Percent Change	Assessed Valuation	Percent Change	Assessed Valuation
2011/2012	\$ 134,005,340	-13.4%	\$ 8,465,170	1.3%	\$ 142,470,510
2012/2013	\$ 134,176,800	0.1%	\$ 9,320,130	10.1%	\$ 143,496,930
2013/2014	\$ 144,616,280	7.8%	\$ 12,672,042	36.0%	\$ 157,288,322
2014/2015	\$ 152,556,700	5.5%	\$ 13,135,690	3.7%	\$ 165,692,390
2015/2016	\$ 159,824,190	4.8%	\$ 17,976,330	36.9%	\$ 177,800,520
2016/2017	\$ 155,350,790	-2.8%	\$ 18,984,670	5.6%	\$ 174,335,460

**HISTORY OF MILL LEVIES FOR THE DISTRICT**

Levy/ Collection Year	Property Within the District and the 2003-06 Excluded Property				1999 Excluded Property
	General Fund	Debt Service	Special Abatement	Total	Debt Service
2011/2012	36.821	1.169	-	37.990	1.169
2012/2013	23.000	21.000	-	44.000	21.000
2013/2014	24.000	22.000	-	46.000	22.000
2014/2015	27.000	22.000	-	49.000	22.000
2015/2016	29.000	21.000	-	50.000	21.000
2016/2017	24.000	25.000	-	49.000	25.000

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

Levy/ Collection Year	Property Within the District and the 2003-06 Excluded Property			1999 Excluded Property		
	Taxes Levied	Current Tax Collections	Collection Rate	Taxes Levied	Current Tax Collections	Collection Rate
2009/2010	\$ 6,193,285	\$ 6,104,643	98.57%	\$ 247,769	\$ 247,745	99.99%
2010/2011	\$ 6,845,271	\$ 6,385,181	93.28%	\$ 249,235	\$ 249,235	100.00%
2011/2012	\$ 5,090,863	\$ 4,809,882	94.48%	\$ 9,896	\$ 9,896	100.00%
2012/2013	\$ 5,903,779	\$ 5,723,550	96.95%	\$ 195,723	\$ 195,723	100.00%
2013/2014	\$ 6,652,348	\$ 6,541,410	98.33%	\$ 278,785	\$ 273,096	97.96%
2014/2015	\$ 7,475,278	\$ 7,445,967	99.61%	\$ 288,985	\$ 288,985	100.00%
2015/2016	\$ 8,104,499	\$ 7,904,816	97.54%	\$ 385,472	\$ 389,763	101.11%

(Continued)

**MERIDIAN METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
December 31, 2016  
UNAUDITED**

**TEN LARGEST TAXPAYERS IN THE DISTRICT FOR 2016**

<b>Taxpayer Name</b>	<b>Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Western Union Company	\$ 12,603,870	7.09%
Liberty Property Holdings Inc	12,568,910	7.07%
Echostar	12,348,840	6.95%
AGNL Engineering LLC	10,673,710	6.00%
Teletech Services Corporation	10,382,330	5.84%
Hauppauge LLC	8,412,020	4.73%
LEX Meridian LP	5,836,750	3.28%
St. Paul Fire & Marine Insurance Company	5,742,000	3.23%
Denver Meridian Gateway Equities LLC	4,041,200	2.27%
Trizetto Corporation	3,985,460	2.24%
	<u>\$ 86,595,090</u>	<u>48.70%</u>

**2016 ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT**

<b>Property Class</b>	<b>Property Within the District and the 2003-06 Excluded Property</b>		<b>1999 Excluded Property</b>	
	<b>Total Assessed Valuation</b>	<b>Percent of Total Assessed Valuation</b>	<b>Total Assessed Valuation</b>	<b>Percent of Total Assessed Valuation</b>
Commercial	\$ 112,407,410	72.36%	\$ -	0.00%
Personal	35,517,610	22.86%	1,022,160	5.38%
Vacant	2,395,910	1.54%	396,840	2.09%
Industrial	4,878,240	3.14%	3,000	0.02%
State Assessed	30,200	0.02%	-	0.00%
Residential	95,610	0.06%	17,562,670	92.51%
Agricultural	25,700	0.02%	-	0.00%
Natural Resources	110	0.00%	-	0.00%
	<u>\$ 155,350,790</u>	<u>100.00%</u>	<u>\$ 18,984,670</u>	<u>100.00%</u>

(Continued)

**MERIDIAN METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
December 31, 2016  
UNAUDITED**

**SELECTED DEBT RATIOS OF THE DISTRICT**

Direct Debt (Consisting of Bonds)	\$	67,045,000
Overlapping Debt (1)		9,591,113
Total Direct Debt and Overlapping Debt	\$	<u>76,636,113</u>
2016 District Assessed Valuation	\$	174,335,460
Direct Debt to 2016 Assessed Valuation		38.5%
Direct Debt Plus Overlapping Debt to 2015 Assessed Valuation		44.0%
2016 District Estimated Statutory "Actual" Value (2)	\$	762,113,804
Direct Debt to 2016 Estimated Statutory "Actual" Value		8.8%
Direct Debt Plus Overlapping Debt to 2016 Estimated Statutory "Actual" Value		10.1%

- (1) Amount is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt.
- (2) Statutory "actual" value has been calculated using a statutory formula under which assessed valuation is calculated as 7.96% of the statutory "actual" value of residential property and 29% of the statutory "actual" value of all other classes of property (with certain specific exceptions). Statutory "actual" value is not intended to represent market value.

(Continued)

**MERIDIAN METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
December 31, 2016  
UNAUDITED**

**ESTIMATED OVERLAPPING GENERAL OBLIGATION DEBT**

Name of Overlapping Taxing entity	2016 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Chargeable to Properties Within the District	
			Percent	Debt
Douglas County School District RE 1	\$ 5,686,174,292	\$ 305,059,570	3.07%	\$ 9,352,985
Southeast Public Improvement Metro District	\$ 2,185,343,440	\$ 2,985,000	7.98%	238,128
				<u>\$ 9,591,113</u>