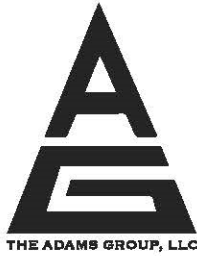


**MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
WELD COUNTY, COLORADO  
TOWN OF MEAD, COLORADO**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Mead Western Meadows Metropolitan District as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the Management Discussion & 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 Budgetary Comparison Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Budgetary Comparison Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*The Adams Group, LLC*

June 7, 2021  
Denver, CO

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and investments - unrestricted	\$ 60,279
Cash and investments - restricted	84,504
Property taxes receivable	240,157
Prepaid expense	2,523
Total assets	<u>387,463</u>
 <b>Deferred Outflows of Resources</b>	
Deferred loss on bond refunding, net of amortization	<u>335,655</u>
Total deferred outflows of resources	<u>335,655</u>
 <b>Liabilities</b>	
Accounts payable	1,087
Accrued note interest payable	11,278
Noncurrent Liabilities:	
Due within one year	50,000
Due in more than one year	2,780,000
Total liabilities	<u>2,842,365</u>
 <b>Deferred Inflows of Resources</b>	
Deferred property tax revenue	<u>240,157</u>
Total deferred inflows of resources	<u>240,157</u>
 <b>Net Position</b>	
Restricted	
Emergency reserves	7,610
IGA	16,374
Debt service	122,245
Unrestricted	<u>(2,505,633)</u>
Total net position	<u>\$ (2,359,404)</u>

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

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

<b>Function/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
Primary Government					
General Government	\$ 38,382	\$ 0	\$ 0	\$ 0	\$ (38,382)
Interest and expenses on long-term debt	158,398	0	0	0	(158,398)
	\$ 196,780	\$ 0	\$ 0	\$ 0	(196,780)
General Revenues:					
Property tax					241,432
Specific ownership tax					11,460
Net investment income					758
Total general revenues					253,650
Change in net position					56,870
Net position - beginning					(2,416,274)
Net position - ending					\$ (2,359,404)

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

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments - unrestricted	\$ 11,260	\$ 49,019	\$ 60,279
Cash and investments - restricted	0	84,504	84,504
Property taxes receivable	43,664	196,493	240,157
Prepaid expense	2,523	0	2,523
Total Assets	<u>\$ 57,447</u>	<u>\$ 330,016</u>	<u>\$ 387,463</u>
<b>Liabilities</b>			
Accounts payable	\$ 1,087	\$ 0	\$ 1,087
Total Liabilities	<u>1,087</u>	<u>0</u>	<u>1,087</u>
<b>Deferred Inflows of Resources</b>			
Deferred property tax revenue	43,664	196,493	240,157
Total Deferred Inflows of Resources	<u>43,664</u>	<u>196,493</u>	<u>240,157</u>
<b>Fund Balances</b>			
Nonspendable	2,523	0	2,523
Restricted for:			
Emergencies	7,610	0	7,610
Debt Service	0	133,523	133,523
IGA	16,374	0	16,374
Assigned for:			
Subsequent year's appropriation	5,822	0	5,822
Unassigned	(19,633)	0	(19,633)
Total Fund Balance	<u>12,696</u>	<u>133,523</u>	<u>146,219</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 57,447</u>	<u>\$ 330,016</u>	387,463
Long-term obligations			(2,830,000)
Accrued interest on long-term obligations			(11,278)
Deferred loss on bond refunding, net of accumulated amortization			335,655
			<u>\$ (2,359,404)</u>

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

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Debt Service</u>	<u>Total</u>
<b>Revenues:</b>			
Property taxes	\$ 43,403	\$ 198,029	\$ 241,432
Specific ownership tax	2,055	9,405	11,460
Net investment income	4	754	758
Total revenues	<u>45,462</u>	<u>208,188</u>	<u>253,650</u>
<b>Expenditures:</b>			
General Government			
Accounting, audit, and management	12,268	0	12,268
County treasurer's fees	645	2,977	3,622
Paying agent fees	0	3,500	3,500
Dues and subscriptions	287	0	287
Insurance and bonds	2,510	0	2,510
Legal	1,926	0	1,926
Parks and Recreation IGA	14,124	0	14,124
Elections	17	0	17
Miscellaneous	60	68	128
Debt Service			
Note principal	0	50,000	50,000
Note interest	0	137,610	137,610
Total expenditures	<u>31,837</u>	<u>194,155</u>	<u>225,992</u>
Net change in fund balances	13,625	14,033	27,658
Fund balances - beginning	<u>(929)</u>	<u>119,490</u>	<u>118,561</u>
Fund balances - ending	<u>\$ 12,696</u>	<u>\$ 133,523</u>	<u>\$ 146,219</u>

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

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Net Change in Fund Balances - Governmental Funds	\$	27,658
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Bond principal payment		50,000
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Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of loss on bond refunding		(20,978)
Net change in accrued interest on long-term liabilities		<u>190</u>

Change in Net Position of Governmental Activities	\$	<u><u>56,870</u></u>
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The accompanying notes are an integral part of these financial statements.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property taxes	\$ 43,403	\$ 43,403	\$ 0
Specific ownership taxes	2,600	2,055	(545)
Net investment income	0	4	4
Total revenues	46,003	45,462	(541)
<b>Expenditures:</b>			
General Government			
Accounting, audit, and management	12,000	12,268	(268)
Bank service charges	160	0	160
County treasurer's fees	700	645	55
Dues and subscriptions	300	287	13
Insurance and bonds	2,900	2,510	390
Legal	2,000	1,926	74
Parks and Recreation IGA	16,276	14,124	2,152
Elections	5,000	17	4,983
Miscellaneous	0	60	(60)
Emergency reserve	2,000	0	2,000
Total expenditures	41,336	31,837	9,499
Net change in fund balance	\$ 4,667	13,625	\$ 8,958
Fund balance, beginning of the year		(929)	
Fund balance, end of the year		\$ 12,696	

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

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements except those required to be reported in fiduciary funds. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (continued)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

Pooled Cash and Investments

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

Property Tax

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

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

Deferred Inflows and Deferred Outflows of Resources

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

In addition to liabilities, the statement of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Loss on Refunding

In the government-wide financial statements the deferred loss on bond refunding is being amortized using the straight-line method over the life of the refunded bonds. The amortization amount is a component of interest expense and the unamortized deferred cost of \$335,655 at December 31, 2020, is reflected as deferred outflows of financial resources.

Fund Balances-Governmental Funds

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

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

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

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

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

Unassigned fund balance - amounts that are available for any purpose. As of December 31, 2020, the General Fund had a negative unassigned fund balance of \$19,633.

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

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 2 - CASH AND INVESTMENTS

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

Cash and investments - unrestricted	\$ 60,279
Cash and investments - restricted	<u>84,504</u>
Total cash and investments	<u><u>\$ 144,783</u></u>

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

Deposits with financial institutions	\$ 60,279
Investments	<u>84,504</u>
Total cash and investments	<u><u>\$ 144,783</u></u>

Cash Deposits

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

At December 31, 2020, the District's cash deposits had a bank balance of \$60,607, and a carrying balance of \$60,279. At December 31, 2020, of the District's deposits were covered by the Federal Deposit Insurance Corporation (FDIC).

Credit Risk

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

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

- \*Obligations of the United States and certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers acceptances of certain banks

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

- Commercial paper
- Certain reverse repurchase agreements
- Certain securities and lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- \*Local government investment pools

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

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

Interest Rate Risk

The District, through its bond trustee UMB Bank, has invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities 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 Standards & Poor's. As of December 31, 2020, COLOTRUST Plus+ had weighted average maturities of 51 days to reset and 80 days to maturity. As of December 31, 2020, the District's investments were invested in COLOTRUST Plus+.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Cash and investments are restricted for the following purposes:

Bond Funds

Cash and investments in the amount of \$84,504 are restricted for the payment of debt service on the District's long-term obligations.

Fair Value Measurements 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 fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments are recorded at fair value using net asset value (NAV). COLOTRUST does not have any unfunded commitments, redemption restrictions or redemption notice periods.

NOTE 3 - LONG-TERM OBLIGATIONS

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

	Balance 12/31/19	Additions	Retirements	Balance 12/31/20	Due in One Year
G.O. Limited Tax					
Refunding Bonds					
Series 2018	\$ 2,880,000	\$ 0	\$ 50,000	\$2,830,000	\$ 50,000
	<u>\$ 2,880,000</u>	<u>\$ 0</u>	<u>\$ 50,000</u>	<u>\$2,830,000</u>	<u>\$ 50,000</u>

General Obligation Limited Tax Refunding Notes, Series 2018

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

The 2018 Bonds are secured by and payable from pledged revenue which consists of the moneys derived from the District from the following sources: (i) the required mill levy (not to exceed 50.000 mills); (ii) capital fees, if any; (iii) a portion of the Specific Ownership Tax; and (iv) any other legally available monies which the District determines to transfer to the Trustee. The 2018 Bonds are further secured by amounts in the surplus and bond fund accounts totaling \$84,504 as of December 31, 2020.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 3 - LONG-TERM OBLIGATIONS (CONTINUED)

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

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

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

	General Obligation Notes Series 2018		
	Principal	Interest	Total
2021	\$ 50,000	\$ 135,335	\$ 185,335
2022	55,000	133,060	188,060
2023	60,000	130,558	190,558
2024	65,000	127,828	192,828
2025	65,000	124,870	189,870
2026-2030	375,000	576,803	951,803
2031-2035	475,000	483,300	958,300
2036-2040	590,000	362,970	952,970
2041-2045	745,000	203,000	948,000
2046-2047	350,000	26,500	376,500
	\$ 2,830,000	\$ 2,304,224	\$ 5,134,224

Authorized Debt

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

	Total Authorized	Remaining at 12/31/2020
Streets	\$ 1,084,553	\$ 267,968
Water	632,315	117,570
Sanitation	1,174,654	40,059
Parks and recreation	508,478	279,403
Operations and maintenance	100,000	100,000
Refunding financial obligations	3,400,000	445,000
	\$ 6,900,000	\$ 1,250,000

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 4 - FUND EQUITY

The restricted fund balance in the General Fund in the amount of \$23,984 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado and amounts restricted by the intergovernmental agreement further described in Note 6. The restricted fund balance in the Debt Service Fund in the amount of \$133,523 is to be used exclusively for debt service requirements.

NOTE 5 - NET POSITION

The District's net position consists of two components - restricted and unrestricted. The Restricted net position of the District at December 31, 2020 is as follows:

	Governmental Activities
TABOR emergency reserve	\$ 7,610
IGA	16,374
Debt service	133,523
	\$ 157,507

In the government-wide financial statements, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$2,359,404 as a result of capital improvements that were funded with long-term debt that have been dedicated to other entities, while the long-term debt remains an obligation of the District. The District believes that future property tax and related revenues will eliminate this deficit.

NOTE 6 - AGREEMENTS

On June 25<sup>th</sup>, 2007, the District entered into the Intergovernmental Agreement (IGA) with the Town of Mead, Colorado (Town) to provide net bond proceeds of \$185,000 to be used by the Town for capital improvements that the District would otherwise be empowered to finance and construct and for which the District is authorized to incur indebtedness, which improvements shall be of benefit to both the Town and the District. This obligation was satisfied in prior years by the District. On August 6, 2012, the District approved to be effective July 31, 2012, the First Amendment to the IGA generally limiting the debt service mill levy to 50 mills, limiting future debt issuance providing provisions regarding Developer reimbursement, notice provisions to the Town and District property owners, and cooperation on service plan amendments. The execution of the First Amendment to the IGA was conditional on bonds being issued by the District on or before December 31, 2012. The District did not issue bonds in 2012.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 6 - AGREEMENTS (CONTINUED)

The IGA with the Town also required the District to impose a mill levy of three (3.000) mills for purposes of operations and maintenance expenses associated with the Town park and recreational capital improvements.

NOTE 7 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years. The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 8 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

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

The District's management believes it is in compliance with the provisions of TABOR.

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
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DECEMBER 31, 2020

NOTE 8 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

**SUPPLEMENTARY INFORMATION**

MEAD WESTERN MEADOWS METROPOLITAN DISTRICT  
GOVERNMENTAL FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property taxes	\$ 198,029	\$ 198,029	\$ 0
Specific ownership taxes	11,882	9,405	(2,477)
Net investment income	900	754	(146)
Total revenues	210,811	208,188	(2,623)
<b>Expenditures:</b>			
General Government:			
County treasurer's fees	3,500	2,977	523
Paying agent fees	3,500	3,500	0
Bank service charges	50		50
Miscellaneous	0	68	(68)
Debt Service:			
Note principal	50,000	50,000	0
Note interest	138,000	137,610	390
Total expenditures	195,050	194,155	895
Net change in fund balance	\$ 15,761	14,033	\$ (1,728)
Fund balance, beginning of the year		119,490	
Fund balance, end of the year		\$ 133,523	