

MEADOWOOD METROPOLITAN DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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To the Board of Directors
Meadowood Metropolitan District

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Meadowood Metropolitan District, Colorado, as of and for the year ended December 31, 2021, 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 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Meadowood Metropolitan District, as of December 31, 2021, and the respective changes in financial position, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with accounting standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Maggard & Hood, P.C." in a cursive, stylized font.

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
May 3, 2022

MEADOWOOD METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Meadowood Metropolitan District (the "District") is a quasi-municipal corporation governed pursuant to provisions of the Special District Act. It was approved by voters on May 6, 2008 and formally organized by judicial decree on May 21, 2008, for the purpose of providing certain public infrastructure and municipal services for the benefit of the residents and property owners within the District's boundaries. The District is located within Pitkin County immediately adjacent to the corporate limits of the City of Aspen, Colorado, and serves a 90-acre residential community. It is bordered by Castle Creek Road and Maroon Creek Road.

The discussion and analysis of the Meadowood Metropolitan District's financial performance provides an overall review of the District's financial activities for the fiscal year. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2021 are as follows:

- In total, the District's *overall* net position increased \$213,295 from the previous fiscal year.
- General Revenues accounted for \$566,707 or 100% of all revenues. General revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and other revenues not related to specific programs.
- The District had \$353,412 in expenses, which includes \$40,610 for interest and other fiscal charges related to long-term debt and \$144,695 depreciation on general fixed assets. General Revenues (primarily property taxes) were adequate to provide for these expenses.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two types of statements that present different views of the District:

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- *Fund financial statements* that focus on *individual parts* of the District government, reporting the District's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

MEADOWOOD METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the District to provide programs and activities, the statement of net position and the statement of activities overall view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the current fiscal year?" The statement of net position and statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all current year revenues and expenses regardless of when cash was received or paid. The focus is on the overall financial position and activities of the District; therefore, the statement of net position and the statement of activities are constructed around the concept of an overall primary reporting government, which includes all funds of the District.

In the statement of net position and the statement of activities, District operations are reported as a "Governmental Activity." Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. All of the District's programs and services are currently reported here. There are currently no business-type activities of the District. The statement of net position and the statement of activities report the District's *net position* and *changes in net position*. The District's net position – the difference between assets plus deferred inflows and liabilities plus deferred outflows – are one way to measure the District's financial health. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base, are needed to assess the *overall health* of the District.

FUND FINANCIAL STATEMENTS

The fund financial reports provide more detailed information about the District's *funds*, focusing on its most significant funds – not on the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental Funds

The District's activity is reported as a governmental fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is provided in reconciliations following the fund financial statements. The District has and maintains one governmental fund:

General Fund – used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

MEADOWOOD METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE DISTRICT AS A WHOLE

The District was established for the purpose of providing certain public infrastructure and municipal services for the benefit of the residents and property owners within the District's boundaries.

Statement of Net Position

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the current and prior fiscal year:

	<u>Governmental Activities</u>		
	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
<u>ASSETS:</u>			
Current Assets	\$ 1,091,961	\$ 1,038,316	\$ 53,645
Capital Assets, Net of Depreciation	<u>1,173,248</u>	<u>1,305,398</u>	<u>(132,150)</u>
Total Assets	<u>2,265,209</u>	<u>2,343,714</u>	<u>(78,505)</u>
<u>LIABILITIES:</u>			
Current Liabilities	723	2,381	(1,658)
Long-term Debt - Current	270,779	264,252	6,527
Long-term Debt - Noncurrent	<u>277,469</u>	<u>548,248</u>	<u>(270,779)</u>
Total Liabilities	<u>548,971</u>	<u>814,881</u>	<u>(265,910)</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable Revenue - Property Taxes	<u>504,076</u>	<u>529,966</u>	<u>(25,890)</u>
<u>NET POSITION:</u>			
Invested in Capital Assets, Net of Related Debt	625,000	492,898	132,102
Restricted	7,218	7,468	(250)
Unrestricted	<u>579,944</u>	<u>498,501</u>	<u>81,443</u>
Total Net Position	<u>\$ 1,212,162</u>	<u>\$ 998,867</u>	<u>\$ 213,295</u>

The District's capital assets are comprised of infrastructure assets, which are listed separately as they are not an "available" source for payment of future operational spending. The balance of Invested in Capital Assets, Net of Related Debt, reflects the net value of infrastructure assets retained by the District exceeding the remaining balance of long-term obligations. Restricted funds include \$5,450 for TABOR emergency reserves (see *Note 7*) and \$1,768 which is restricted for future maintenance of the Ruben Memorial Bench.

MEADOWOOD METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

Statement of Activities

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net position for the current and prior fiscal year:

	Governmental Activities		
	2021	2020	Increase (Decrease)
<u>REVENUES:</u>			
<i>Program Revenues:</i>			
Charges for Services & Sales	\$ -	\$ -	\$ -
Operating Grants & Contributions	-	-	-
Capital Grants & Contributions	-	-	-
<i>General Revenues:</i>			
Property Taxes	529,967	535,288	(5,321)
Specific Ownership Taxes	19,330	17,426	1,904
Impact Fees	16,068	32,844	(16,776)
Interest & Investment Earnings	291	3,273	(2,982)
Settlement Income & Finance Charges	1,051	2,854	(1,803)
Total Revenues	566,707	591,685	(24,978)
<u>EXPENSES:</u>			
General Government	107,895	108,598	(703)
Public Works	204,907	213,656	(8,749)
Interest and Other Fiscal Charges	40,610	53,348	(12,738)
Total Expenses	353,412	375,602	(22,190)
Increase (Decrease) in Net Position	\$ 213,295	\$ 216,083	\$ (2,788)

The statement of activities reflects the cost of program services and any charges for services, grants, and contributions offsetting those services.

Changes in the assessed valuation of properties within the District's boundaries account for changes in property tax collections as compared to the prior year. Impact fees fluctuate from year-to-year and are beyond the control of management. The District also was awarded its remaining net legal settlement of \$1,051 for prior accrued finance charges. Savings in public works expenses arose primarily from snowplowing costs. Decreases in debt service expenses reflect decreased current period interest on long-term obligations as outstanding balances are reduced.

MEADOWOOD METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District utilizes a General Fund for its activities. The fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. As discussed above, for financial reporting purposes the District's General Fund is considered a governmental fund and is reported on the modified accrual basis of accounting. At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, any inflows from loans are presented as a revenue item while outflows for capital outlay and any debt service payments are presented as an expenditure item, as these items represent current period financial resources and uses.

The District's General Fund is primarily supported from property taxes. General government expenditures consist primarily of management fees, professional fees, insurance, common-area repairs and maintenance, and utilities. Public works expenditures are comprised primarily of infrastructure costs and road maintenance and snow removal. Contingency reflects current year spending for unexpected and unbudgeted line items. The General Fund ending fund balance increased from \$506,079 to \$587,236 during the current fiscal year. This represents the excess of current period expenditures (financial uses) over current period revenues (financial sources). The ending fund balance of \$587,236 is the amount of net resources *currently* available for future spending.

The District, pursuant to the TABOR Amendment, reserves funds for emergencies. As discussed in *Note 7* of the financial statements, the District reserves 3% of the total of all operational expenses every fiscal year. At the end of each fiscal year, if the emergency reserves were not used, the funds are carried into the next year's operational funds.

GENERAL FUND BUDGETING HIGHLIGHTS

The District's procedures in establishing the budgetary data reflected in the financial statements are summarized in *Note 1(H)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles for governmental entities. The District uses a line-item based budget. The budgeting systems are designed to control line-item expenditures, but provide flexibility for overall budgetary management.

For the General Fund, actual revenues and other financing sources of \$566,707 were above final budgetary expectations of \$546,715 by \$19,992 primarily due to unanticipated impact fees and specific ownership tax collections which are beyond the control of management.

The District's General Fund actual expenditures and other financing uses of \$485,550 were \$100,247 less than the final appropriated balance of \$585,797. This resulted primarily from savings in unused contingency reserves and capital projects budgets. In addition, the District budgeted for \$50,000 current year internal transfers to Board Assigned reserves which were made during the fiscal year.

The Board of Directors and management strive to budget appropriate amounts for each individual line item. It is not anticipated that this year's budgetary variances will have a significant impact on future services or liquidity. The overall savings are indicative of the efforts to provide services in the most economical manner. This year's savings will have a positive impact on future year's fund balances.

MEADOWOOD METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The primary purpose of forming Meadowood Metropolitan District was to provide a secure funding mechanism to make improvements to its water system at the behest of the Aspen Fire Protection District, due to Meadowood's 40-year-old infrastructure. The District's capital assets were improved with funds from a long-term note with Wells Fargo Bank of Aspen. As planned, in 2012 the District conveyed a portion of its capital assets to the City of Aspen, consisting of the existing water system and improvements thereto. The District's roads infrastructure capital assets will remain as assets of the District and are being depreciated, accordingly. See *Note 3* for current year changes in Capital Assets.

Debt Administration

As of December 31, 2021, the District has \$548,248 of outstanding long-term debt consisting of two General Obligation Notes that have been used for the purposes of constructing infrastructure. See *Note 4 – Long-term Debt Obligations* for a detail of the terms and annual debt service requirements for the District's long-term Debt.

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

The District levied property tax in 2021 to be collected in 2022 in the amount of \$504,476 (of which \$189,991 is for general operations and \$314,085 is for debt service). Taxes will continue to be the principal revenue source of the District. The District's activities budgeted for 2021 are the collection of property taxes to pay the debt service on the District's bonds and the general operations, maintenance and administration of the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Meadowood Metropolitan District
P.O. Box 8774
Aspen, CO 81612

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MEADOWOOD METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2021

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
<i>Current Assets:</i>	
Cash and Investments	\$ 581,078
Receivables:	
Cash with County Treasurer	1,182
Property Taxes	504,076
Other Receivables	1,875
Prepaid Expenses/Deposits	<u>3,750</u>
Total Current Assets	<u>1,091,961</u>
<i>Noncurrent Assets</i>	
Capital Assets, Net of Accumulated Depreciation	<u>1,173,248</u>
Total Noncurrent Assets	<u>1,173,248</u>
TOTAL ASSETS	<u><u>2,265,209</u></u>
 <u>LIABILITIES:</u>	
<i>Current Liabilities:</i>	
Accounts Payable	649
Accrued Interest Payable	74
Long-term Obligations Due Within One Year	<u>270,779</u>
Total Current Liabilities	<u>271,502</u>
<i>Noncurrent Liabilities:</i>	
Long-term Liabilities Due After One Year	<u>277,469</u>
Total Noncurrent Liabilities	<u>277,469</u>
TOTAL LIABILITIES	<u><u>548,971</u></u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>	
Unavailable Revenue - Property Taxes	<u>504,076</u>
 <u>NET POSITION:</u>	
Invested in Capital Assets, Net of Related Debt	625,000
Restricted for:	
Bench Maintenance	1,768
Emergencies	5,450
Unrestricted	<u>579,944</u>
TOTAL NET POSITION	<u><u>\$ 1,212,162</u></u>

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

MEADOWOOD METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2021

		PROGRAM REVENUES		
	EXPENSES	Charges For Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 107,895	\$ -	\$ -	\$ -
Public Works	204,907	-	-	-
Interest & Other Fiscal Charges	40,610	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 353,412	\$ -	\$ -	\$ -

GENERAL REVENUES:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Specific Ownership Taxes

Impact Fees

Legal Settlement Finance Charges

Interest and Investment Earnings

Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental
Activities

\$ (107,895)
(204,907)
(40,610)

(353,412)

209,011
320,956
19,330
16,068
1,051
291

566,707

213,295

998,867

\$ 1,212,162

FUND FINANCIAL STATEMENTS

MEADOWOOD METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	<u>Governmental Funds</u>
	<u>General Fund</u>
<u>ASSETS:</u>	
Cash and Investments	\$ 581,078
Receivables:	
Cash with County Treasurer	1,182
Property Taxes	504,076
Other Receivables	1,875
Prepaid Expenses/Deposits	<u>3,750</u>
TOTAL ASSETS	<u>\$ 1,091,961</u>
 <u>LIABILITIES, DEFERRED OUTFLOWS AND FUND BALANCES:</u>	
Liabilities:	
Accounts Payable	<u>\$ 649</u>
Deferred Inflows of Resources:	
Unavailable Revenue - Property Taxes	<u>504,076</u>
Fund Balance:	
Nonspendable	3,750
Restricted For:	
Bench Maintenance	1,768
Emergencies	5,450
Assigned	517,412
Unassigned	<u>58,856</u>
Total Fund Balance	<u>587,236</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,091,961</u>

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

MEADOWOOD METROPOLITAN DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2021

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 587,236

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

Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds. 1,173,248

Some liabilities are not due and payable in the current year and therefore, are not reported in the governmental funds. This is the amount of accrued interest payable reported on the Statement of Net Position. (74)

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds. Following are the components of the District's overall net long-term debt reported on the Statement of Net Position:

Current Portion of Long-term Debt	\$ (270,779)	
Noncurrent Portion of Long-term Debt	<u>(277,469)</u>	<u>(548,248)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 1,212,162

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

MEADOWOOD METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended December 31, 2021

	<u>Governmental Funds</u> General Fund
<u>REVENUES:</u>	
Property Taxes	\$ 529,967
Specific Ownership Taxes	19,330
Impact Fees	16,068
Interest Income	291
Settlement Income & Finance Charges	<u>1,051</u>
Total Revenues	<u>566,707</u>
<u>EXPENDITURES:</u>	
Current:	
General Government	107,895
Public Works	60,212
Contingency	12,545
Debt Service:	
Bond Agent Fees	500
Debt Service – Interest	40,146
Debt Service – Principal	<u>264,252</u>
Total Expenditures	<u>485,550</u>
Excess of Revenues Over (Under) Expenditures	81,157
FUND BALANCE–BEGINNING OF YEAR	<u>506,079</u>
FUND BALANCE–END OF YEAR	<u>\$ 587,236</u>

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

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Meadowood Metropolitan District, herein referred to as the District, conform to accounting principles generally accepted in the United States of America as applicable to governmental units (GAAP). The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Significant accounting policies of the District are described below.

A. Financial Reporting Entity

The Meadowood Metropolitan District is a quasi-municipal corporation and political subdivision of the State of Colorado governed pursuant to provisions of the Colorado Special District Act.

The District was organized by judicial decree in 2008 to construct and acquire systems for water, irrigation, streets, safety, transportation, parks and recreation, solid waste, and security in an area known as the Meadowood Subdivision in Pitkin County, Colorado.

The District is governed by an elected Board of Directors which is responsible for setting policy, appointing personnel and adopting an annual budget in accordance with state statutes.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity, nor is the District a component unit of any other government. The District's financial statements include the accounts of all District operations.

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Presentation

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and the fund financial statements categorize primary activities as either governmental or business-type activities. Currently the District has only governmental activities.

GOVERNMENT-WIDE STATEMENTS

The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities.

In the statement of activities, direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

FUND FINANCIAL STATEMENTS

Governmental fund financial statements are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are included on their balance sheets. The reported fund balance (net current assets) is considered a measure of "available expendable resources."

The fund financial statements provide information about the District's funds. During the fiscal year, a District may segregate transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled. The major governmental fund of the District is the General Fund. The fund focus is on current available resources and budget compliance.

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, consist of property taxes. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

FUND FINANCIAL STATEMENTS

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual-basis of accounting*. Under this method, revenues are recognized when measurable and available. The District considers all revenues available if they are collected within 60 days after year-end. The following material revenue sources are considered susceptible to accrual because they are both measurable and available to finance expenditures of the current period:

- Property Taxes
- Specific Ownership Taxes

Taxpayer-assessed local property and specific ownership taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

D. Cash and Investments

The District’s policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills, and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimate fair value. Additional cash disclosures are found in *Note 2* of the financial statements.

E. Property Taxes Receivable and Deferred Inflows of Resources

Property taxes are levied on December 15, and attach as an enforceable lien on property on January 1st of the following year. They may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th. Property taxes are levied and collected on behalf of the District by Pitkin County and are reported as revenue when received by the County Treasurer. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31. Since the taxes are not currently available, they are reported separately as a *deferred inflow of resources (unavailable revenue)* which represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Capital Assets

Capital Assets purchased or acquired with an original cost in excess of capitalization thresholds set by the District are reported at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance that does not add to the value of the asset or materially extend assets' useful lives are expensed as incurred. The District has not formally defined a threshold amount for its capitalization policy. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives, when applicable:

Roads and Other Infrastructure 10 - 20 years

G. Net Position and Fund Balance –

In the government-wide financial statements, net position is classified in the following categories:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

In the fund financial statements, fund balances of governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally, or (b) imposed by law through constitutional provisions or enabling legislation. (See also Note 7.)

Committed – amounts 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). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Assigned – amounts constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself (the Board of Directors) who the authority to assign amounts to be used for specific purposes. Amounts have been assigned by the Board of Directors for future capital outlay and maintenance reserves.

Unassigned – the residual for the general fund.

It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available. Committed and assigned amounts are considered to have been spent first when an expenditure is incurred for purposes for which such categories and unassigned amounts are available.

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. Budgets and Budgetary Accounting

The District legally adopted budgets for all of the District's Funds. The District uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 15, the District submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A "Notice of Budget" is published when the budget is received.
2. Public hearings are held to obtain taxpayer comments.
3. Prior to December 15, the Board shall adopt, by resolution, the budget for the ensuing fiscal year and shall certify the tax levy to the Board of County Commissioners.
4. On or before December 31, the Board shall pass an annual appropriating resolution in which such sums of money shall be appropriated as the Board deems necessary to defray all expenses and liabilities of the District during the ensuing year.
5. The District's budgets are adopted on a basis consistent with generally accepted accounting principles for governmental entities. Annual appropriated budgets are adopted for all funds. The level of control at which expenditures exceed appropriations is at the fund level.
6. After adoption of the budget ordinance, the District may make by ordinance the following changes: a) supplemental appropriations to the extent of revenues in excess of the estimated budget; b) emergency appropriations; c) reduction of appropriations for which originally estimated revenues are insufficient.
7. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on final legally amended budgets.
8. Budget appropriations lapse at the end of each year.

I. Fair Values of Financial Instruments

The District has a number of financial instruments, including cash and equivalents, receivables, and accounts payable, none of which are held for trading purposes. The District estimates that the fair values of its financial instruments at year end does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

J. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS

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. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

The District has not adopted a formal investment policy; however, the District invests public funds in a manner which will provide the highest investment return with the maximum security, meet daily cash flow demands, and conform to all federal, state and local statutes governing the investment of public funds. This applies to the investment of all financial assets of all funds of the District over which it exercises financial control. 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. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee Valley authority, and certain international agency securities, including the World Bank.
- General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- Bankers' acceptances of certain banks
- Certain securities lending agreements
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed Investment contracts
- Local government investment pools
- The investing local government's own securities including certificates of participation and lease obligations.

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS - continued

Local Government Investment Pool (COLOTRUST)

Included in cash and cash equivalents are amounts held in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. 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. 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. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAA by Standard & Poor's, Fitch's and Moody's rating services. The custodian's internal records segregate investments owned by the Trust. As of December 31, 2021, the District had \$0 invested in COLOTRUST PRIME, and \$579,367 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

Maturities of the District's investments are as follows:

	<u>Rating</u>	<u>Fair Value</u>	<u>Maturities</u>
COLOTRUST	AAAm	\$579,367	< 1 year

A summary of the District's cash and investments follows:

Checking and Savings Deposits	\$	25,253
Colo Local Govt Liquid Asset Trust (ColoTrust)		579,367
Less Outstanding Items		<u>(23,542)</u>
Cash and Investments	\$	<u>581,078</u>

At December 31, 2021 all of the District's deposits were either held in deposit accounts insured by the Federal Deposit Insurance Corporation (FDIC) or in eligible depositories as required by PDPA.

Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, follow:

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The District has no investments subject to custodial credit risk.

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2 - CASH AND INVESTMENTS - continued

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The District's policy places no limit on the amount it may invest in any one issuer; however the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an investment policy that limits investment maturities as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows as approved by the Board. As of December 31, 2021, the District had no investments that were subject to interest rate risk as described above.

The District was not subject to foreign currency risk as of December 31, 2021.

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for Governmental Activities follows:

	<u>Balance</u> <u>01/01/21</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>12/31/21</u>
Depreciable Assets:				
Infrastructure – Roads / Signs	\$ 2,870,140	\$ 12,545	\$ -	\$ 2,882,685
Less: Accumulated Depreciation	<u>(1,564,742)</u>	<u>(144,695)</u>	<u>-</u>	<u>(1,709,437)</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,305,398</u>	<u>\$ (132,150)</u>	<u>\$ -</u>	<u>\$ 1,173,248</u>

Depreciation expense was charged to governmental activities as follows:

Public Works	<u>\$ 144,695</u>
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MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations for Governmental Activities follows:

	Balances 01/01/21	Additions	Reductions	Balances 12/31/21	Amounts Due Within One Year
General Obligation:					
Series 2008 Note	\$ 687,327	\$ -	\$ (223,753)	\$ 463,574	\$ 229,067
Series 2009 Bonds	125,173	-	(40,499)	84,674	41,712
Totals	<u>\$ 812,500</u>	<u>\$ -</u>	<u>\$ (264,252)</u>	<u>\$ 548,248</u>	<u>\$ 270,779</u>

General Obligation Note, Series 2008

The District issued a \$3,000,000 General Obligation Note, Series 2008, dated June 30, 2008 for the purpose of constructing water and road improvements for the District, and paying the costs of issuance. Interest is at 4.75% payable semiannually on June 30 and December 30, commencing June 30, 2009, with annual principal repayments through December 30, 2023, unless the bonds are redeemed earlier. The bonds are subject to redemption prior to maturity thereof at the option of the District any time on or after December 30, 2017, at a price equal to 100% of the principal amount received plus accrued interest to the date of redemption. The bonds are a general obligation of the District, payable from ad valorem taxes required to be levied on all taxable property within the District, without limitation as to rate and in amounts sufficient to pay when due.

The annual debt service requirements for the General Obligation Note Series 2008 to maturity are as follows:

Year Ended December 31,	Principal	Interest	Total
2022	\$ 229,067	\$ 22,020	\$ 251,087
2023	234,507	11,139	245,646
	<u>\$ 463,574</u>	<u>\$ 33,159</u>	<u>\$ 496,733</u>

General Obligation Bonds, Series 2009

The District issued \$500,000 of General Obligation Bonds, Series 2009, dated November 16, 2009 for the purpose of constructing water and road improvements for the District, and paying the costs of issuance. Interest is at 5.99% payable semiannually on June 30 and December 30, commencing June 30, 2010, with annual principal repayments through December 30, 2023, unless the bonds are redeemed earlier. The bonds are subject to redemption prior to maturity thereof at the option of the District any time on or after December 30, 2017, at a price equal to 100% of the principal amount received plus accrued interest to the date of redemption. The bonds are a general obligation of the District, payable from ad valorem taxes required to be levied on all taxable property within the District, without limitation as to rate and in amounts sufficient to pay when due.

The annual debt service requirements for the General Obligation Bond Series 2009 to maturity are as follows:

Year Ended December 31,	Principal	Interest	Total
2022	\$ 41,712	\$ 5,072	\$ 46,784
2023	42,962	2,573	45,535
	<u>\$ 84,674</u>	<u>\$ 7,645</u>	<u>\$ 92,319</u>

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - CONTINGENCIES

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions, if any, are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2021.

NOTE 6 - RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool), which is sponsored by the Special District Association of Colorado. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to \$1,000,000. 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 and public officials' liability 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. During the year ended December 31, 2021, the pool made no distributions to the District.

NOTE 7 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

TABOR Amendment – Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations, which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR also requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years. Spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

Multiple fiscal year obligations and revenue and expenditure limitations of TABOR were addressed in Meadowood Metropolitan District's organizational election, ballot questions 5I and 5J, wherein the electorate affirmatively voted to relieve the District of these and other limitations (Section 29-1-301 CRS) and restrictions.

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

TABOR Amendment – Revenue and Spending Limitation Amendment - continued

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of spending (excluding bonded debt service). The required reserve at December 31, 2021 is approximately \$5,450.

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

NOTE 8 - SUBSEQUENT EVENTS

Management of the Meadowood Metropolitan District has evaluated events subsequent to December 31, 2021 through the issuance date of this report.

In early 2021 a worldwide pandemic arose caused by the coronavirus Covid-19 which has impacted general operations. The District's management and board of directors has acknowledged the threat of the coronavirus; however, the long-term impact on the District is currently unknown as of the date of the auditor's report.

There has been no additional material event noted during this period that would either impact the results reflected in this report of the District's results going forward.

REQUIRED SUPPLEMENTAL INFORMATION

MEADOWOOD METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
Fiscal Year Ended December 31, 2021

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES:</u>				
Property Taxes	\$ 529,966	\$ 529,966	\$ 529,967	\$ 1
Specific Ownership Taxes	13,249	13,249	19,330	6,081
Impact Fees	-	-	16,068	16,068
Interest Income	3,500	3,500	291	(3,209)
Settlement Finance Charges	-	-	1,051	1,051
Total Revenues	<u>546,715</u>	<u>546,715</u>	<u>566,707</u>	<u>19,992</u>
<u>EXPENDITURES:</u>				
Current:				
General Government:				
Accounting and Administration	7,500	7,500	5,399	2,101
Audit	5,500	5,500	5,088	412
County Treasurer's Fees	26,499	26,499	26,498	1
Insurance and SDA Dues	4,000	4,000	3,631	369
Legal Expenses	10,000	10,000	9,300	700
Management Fees	22,000	22,000	21,000	1,000
Miscellaneous Expenses	2,800	2,800	1,017	1,783
Repairs & Maint	48,500	48,500	33,538	14,962
Utilities	2,100	2,100	2,424	(324)
Public Works:				
Capital Expenditures	8,000	8,000	6,557	1,443
Road Maintenance	4,000	4,000	3,674	326
Snow Removal	60,000	60,000	49,981	10,019
Debt Service:				
Bond Agent Fees	500	500	500	-
Debt Service – Interest	40,146	40,146	40,146	-
Debt Service – Principal	264,252	264,252	264,252	-
Contingency/Reserves	<u>80,000</u>	<u>80,000</u>	<u>12,545</u>	<u>67,455</u>
Total Expenditures	<u>585,797</u>	<u>585,797</u>	<u>485,550</u>	<u>100,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,082)	(39,082)	81,157	120,239
Fund Balance – Beginning of Year	<u>506,079</u>	<u>506,079</u>	<u>506,079</u>	<u>-</u>
Fund Balance – End of Year*	<u>\$ 466,997</u>	<u>\$ 466,997</u>	<u>\$ 587,236</u>	<u>\$ 120,239</u>

*Budgeted Ending Fund Balance includes \$6,132 budgeted TABOR emergency reserves.

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