

MEADOWOOD METROPOLITAN DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

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To the Board of Directors
Meadowood Metropolitan District

INDEPENDENT AUDITOR'S REPORT

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Meadowood Metropolitan District as of December 31, 2023 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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


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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, listed as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 of inquiries of management about 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 supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
May 16, 2024

MEADOWOOD METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

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, 2023 are as follows:

- In total, the District's *overall* net position increased \$174,315 from the previous fiscal year.
- General Revenues, which include taxes, grants and entitlements not restricted to specific programs and general interest and other revenues not related to specific programs, accounted for \$529,658 which is 100% of the District's revenues.
- The District had \$355,343 in expenses, which includes \$13,925 for interest and other fiscal charges related to long-term debt and \$146,463 depreciation on general fixed assets. General Revenues (primarily property taxes) were adequate to provide for these expenses.
- The District made its final scheduled debt service payments on the 2008 General Obligation Notes and the 2009 General Obligation Bonds in December of 2023 and, therefore, has no remaining long-term debt obligations as of December 31, 2023.

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, 2023

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, 2023

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>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
<u>ASSETS:</u>			
Current Assets	\$ 931,743	\$ 1,124,994	\$ (193,251)
Capital Assets, Net of Depreciation	<u>935,181</u>	<u>1,028,698</u>	<u>(93,517)</u>
Total Assets	<u>1,866,924</u>	<u>2,153,692</u>	<u>(286,768)</u>
<u>LIABILITIES:</u>			
Current Liabilities	7,005	22,300	(15,295)
Long-term Debt - Current	-	277,469	(277,469)
Long-term Debt - Noncurrent	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>7,005</u>	<u>299,769</u>	<u>(292,764)</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable Revenue - Property Taxes	<u>290,194</u>	<u>458,513</u>	<u>(168,913)</u>
<u>NET POSITION:</u>			
Invested in Capital Assets, Net of Related Debt	935,181	751,229	183,952
Restricted	8,842	6,867	1,975
Unrestricted	<u>625,702</u>	<u>637,314</u>	<u>(11,612)</u>
Total Net Position	<u>\$ 1,569,725</u>	<u>\$ 1,395,410</u>	<u>\$ 174,315</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.

With final payments on the District's long-term debt obligations made in December 2023, the Deferred Inflows from the District's property tax levy has decreased since it no longer includes a levy for debt service.

The balance of Invested in Capital Assets, Net of Related Debt, reflects the net value of infrastructure assets retained by the District. Restricted funds include \$7,450 for TABOR emergency reserves (see *Note 8*) and \$1,392 which is restricted for future maintenance of the Rubin Memorial Bench.

MEADOWOOD METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

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		
	2023	2022	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	458,513	504,076	(45,563)
Specific Ownership Taxes	16,351	17,985	(1,634)
Impact Fees	11,220	300	10,920
Interest & Other Revenues	43,574	14,842	28,732
Total Revenues	529,658	537,203	(7,545)
<u>EXPENSES:</u>			
General Government	126,929	110,176	16,753
Public Works	214,489	216,224	(1,735)
Interest and Other Fiscal Charges	13,925	27,555	(13,630)
Total Expenses	355,343	353,955	1,388
Increase (Decrease) in Net Position	\$ 174,315	\$ 183,248	\$ (8,933)

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, as well as decreased property taxes assessment for the final scheduled payments for the District's long-term debt. Impact fees fluctuate from year-to-year and are beyond the control of management. General Government expenses increased primarily for common area maintenance. Public Works expenses approximated those of the prior year. Decreases in debt service expenses reflect decreased 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, 2023

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 decreased from \$644,218 to \$634,544 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 \$634,544 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 8* 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 \$529,658 exceeded final budgetary expectations of \$491,226 by \$38,432 primarily due to impact fees (which are not budgeted) and additional interest income from increased interest rates and specific ownership tax collections which are beyond the control of management.

The District's General Fund actual expenditures and other financing uses of \$539,332 were \$167,853 less than the final appropriated balance of \$707,185. 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, 2023

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 previously discussed, the District made its final scheduled payments on long-term obligations in December of 2023; therefore, as of December 31, 2023, the District has no outstanding long-term debt.

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

The District levied property tax in 2023 to be collected in 2024 in the amount of \$290,194 for general operations. Taxes will continue to be the principal revenue source of the District.

The District's activities budgeted for 2024 are the collection of property taxes to pay for the District's general operations, maintenance and administration of the District. The District does not directly employ any staff and all operational and maintenance services for the District are provided by independent contractors and consultants. The 2024 budget includes \$150,000 budgeted for repairs to lower Meadowood Drive, to be funded by Road Impact Funds, the total cost of which will depend on working with Pitkin County who is responsible for 50% of the cost. An amount of \$15,000 is budgeted for various common area capital improvements, including a realignment of the trail system where it meets with Meadowood Drive and a strategic plan to identify and implement homeowners wishes in the common area. In addition, \$100,000 has been budgeted for internal transfer to the District's Reserve Fund to plan for future capital road repairs and repaving costs which are anticipated to occur over the next few years.

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, 2023

	Governmental Activities
<u>ASSETS:</u>	
<i>Current Assets:</i>	
Cash and Investments	\$ 640,377
Receivables:	
Cash with County Treasurer	1,172
Property Taxes	290,194
Total Current Assets	931,743
<i>Noncurrent Assets</i>	
Capital Assets, Net of Accumulated Depreciation	935,181
Total Noncurrent Assets	935,181
TOTAL ASSETS	1,866,924
 <u>LIABILITIES:</u>	
<i>Current Liabilities:</i>	
Accounts Payable	7,005
TOTAL LIABILITIES	7,005
 <u>DEFERRED INFLOWS OF RESOURCES:</u>	
Unavailable Revenue - Property Taxes	290,194
 <u>NET POSITION:</u>	
Invested in Capital Assets, Net of Related Debt	935,181
Restricted for:	
Bench Maintenance	1,392
Emergencies	7,450
Unrestricted	625,702
TOTAL NET POSITION	\$ 1,569,725

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

MEADOWOOD METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2023

		PROGRAM REVENUES		
	EXPENSES	Charges For Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 126,929	\$ -	\$ -	\$ -
Public Works	214,489	-	-	-
Interest & Other Fiscal Charges	13,925	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 355,343	\$ -	\$ -	\$ -

GENERAL REVENUES:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Specific Ownership Taxes

Impact Fees

Interest and Other Income

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

\$ (126,929)
(214,489)

(13,925)

(355,343)

151,491
307,022
16,351
11,220

43,574

529,658

174,315

1,395,410

\$ 1,569,725

FUND FINANCIAL STATEMENTS

MEADOWOOD METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	<u>Governmental Funds</u>
	<u>General Fund</u>
<u>ASSETS:</u>	
Cash and Investments	\$ 640,377
Receivables:	
Cash with County Treasurer	1,172
Property Taxes	<u>290,194</u>
TOTAL ASSETS	<u>\$ 931,743</u>
 <u>LIABILITIES, DEFERRED OUTFLOWS AND FUND BALANCES:</u>	
Liabilities:	
Accounts Payable	<u>\$ 7,005</u>
Deferred Inflows of Resources:	
Unavailable Revenue - Property Taxes	<u>290,194</u>
Fund Balance:	
Restricted For:	
Bench Maintenance	1,392
Emergencies	7,450
Assigned	580,527
Unassigned	<u>45,175</u>
Total Fund Balance	<u>634,544</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 931,743</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, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 634,544

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:

Total Capital Assets	\$ 2,935,631	
Less Accumulated Depreciation	<u>(2,000,450)</u>	<u>935,181</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 1,569,725

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, 2023

	<u>Governmental Funds</u> General Fund
<u>REVENUES:</u>	
Property Taxes	\$ 458,513
Specific Ownership Taxes	16,351
Impact Fees	11,220
Interest and Other Income	<u>43,574</u>
Total Revenues	<u>529,658</u>
<u>EXPENDITURES:</u>	
Current:	
General Government	126,929
Public Works	68,026
Capital Outlay	52,946
Debt Service:	
Bond Agent Fees	250
Debt Service – Interest	13,712
Debt Service – Principal	<u>277,469</u>
Total Expenditures	<u>539,332</u>
Excess of Revenues Over (Under) Expenditures	(9,674)
FUND BALANCE–BEGINNING OF YEAR	<u>644,218</u>
FUND BALANCE–END OF YEAR	<u>\$ 634,544</u>

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

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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, 2023

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, 2023

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, 2023

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 8.)

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, 2023

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, 2023

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, 2023

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, 2023, the District had \$0 invested in COLOTRUST PRIME, and \$640,189 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	\$640,189	< 1 year

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

Checking and Savings Deposits	\$	7,552
Colo Local Govt Liquid Asset Trust (ColoTrust)		640,189
Less Outstanding Items		<u>(7,364)</u>
Cash and Investments	\$	<u>640,377</u>

At December 31, 2023 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, 2023

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, 2023, 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, 2023.

NOTE 3 - CAPITAL ASSETS

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

	<u>Balance</u> 01/01/23	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> 12/31/23
Non-Depreciable Assets:				
Work-in-Progress	\$ -	\$ 6,416	\$ -	\$ 6,416
Depreciable Assets:				
Infrastructure / Roads / Signs	\$ 2,882,685	\$ 46,530	\$ -	\$ 2,929,215
Less: Accumulated Depreciation	<u>(1,853,987)</u>	<u>(146,463)</u>	<u>-</u>	<u>(2,000,450)</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,028,698</u>	<u>\$ (93,517)</u>	<u>\$ -</u>	<u>\$ 935,181</u>

Depreciation expense was charged to governmental activities as follows:

Public Works	<u>\$ 146,463</u>
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MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 - LONG-TERM OBLIGATIONS

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

	<u>Balances</u> 01/01/23	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> 12/31/23	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
General Obligation:					
Series 2008 Note	\$ 234,507	\$ -	\$ (234,507)	\$ -	\$ -
Series 2009 Bonds	<u>42,962</u>	<u>-</u>	<u>(42,962)</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 277,469</u>	<u>\$ -</u>	<u>\$ (277,469)</u>	<u>\$ -</u>	<u>\$ -</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, with an interest rate of 4.75% payable semiannually on June 30 and December 30, commencing June 30, 2009, with annual principal repayments through December 30, 2023. The note was 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 final scheduled payment was made on the General Obligation Note in December 2023.

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, with an interest rate of 5.99% payable semiannually on June 30 and December 30, commencing June 30, 2010, with annual principal repayments through December 30, 2023. The bonds were 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 final scheduled payment was made on the General Obligation Bonds in December 2023.

NOTE 5 - COMMITMENTS

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, and Statement No. 96, *Subscription-Based Information Technology Arrangements*, require recognition of certain items on the government-wide Statement of Net Assets and related note disclosures. Under these requirements, the District must determine whether a contract falls under these requirements at inception and subsequently measure, classify and recognize such commitments with contractual terms longer than twelve months. When applicable, right-to-use assets and associated obligations are included as Right-to-use Assets and Present Value of Liability, respectively, in the Statement of Net Assets. Any assets represent the District’s right to use an underlying asset for the contract term and any associated liabilities represent the District’s obligation to make payments, subject to annual appropriation. Operating right-of-use assets and associated liabilities are recognized based on the present value of future minimum payments to be made over the expected term, generally using the risk-free discount rate at the commencement date in determining the present value of future payments

The District has identified no commitments for leases or subscription-based information technology arrangements requiring recognition or disclosure under the requirements of GASB.

MEADOWOOD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 - 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, 2023.

NOTE 7 - 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, 2023, the pool made no distributions to the District.

NOTE 8 - 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, 2023

NOTE 8 - 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, 2023 is approximately \$7,450.

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 9 - SUBSEQUENT EVENTS

Management of the Meadowood Metropolitan District has evaluated events subsequent to December 31, 2023 through the issuance date of this report. There has been no 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, 2023

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property Taxes	\$ 458,513	\$ 458,513	\$ 458,513	\$ -
Specific Ownership Taxes	11,463	11,463	16,351	4,888
Impact Fees	-	-	11,220	11,220
Interest and Other Income	21,250	21,250	43,574	22,324
Total Revenues	<u>491,226</u>	<u>491,226</u>	<u>529,658</u>	<u>38,432</u>
EXPENDITURES:				
Current:				
General Government:				
Accounting and Administration	7,500	7,500	5,724	1,776
Audit	6,000	6,000	6,650	(650)
County Treasurer's Fees	22,926	22,926	22,926	-
Insurance and SDA Dues	4,500	4,500	4,178	322
Legal Expenses	10,000	10,000	4,432	5,568
Management Fees	24,000	24,000	23,100	900
Miscellaneous Expenses	2,900	2,900	1,664	1,236
Repairs & Maint. – Common Area	51,000	51,000	54,185	(3,185)
Utilities	2,700	2,700	4,070	(1,370)
Public Works:				
Road Maintenance	4,000	4,000	1,883	2,117
Snow Removal	60,000	60,000	66,143	(6,143)
Capital Outlay:				
Paving/Road Improvements	50,000	50,000	-	50,000
Tennis Courts	60,000	60,000	46,530	13,470
Common Area Improvements	30,000	30,000	6,416	23,584
Debt Service:				
Bond Agent Fees	500	500	250	250
Debt Service – Interest	13,712	13,712	13,712	-
Debt Service – Principal	277,469	277,469	277,469	-
Contingency/Reserves	79,978	79,978	-	79,978
Total Expenditures	<u>707,185</u>	<u>707,185</u>	<u>539,332</u>	<u>167,853</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(215,929)	(215,929)	(9,674)	206,285
Fund Balance – Beginning of Year	<u>644,218</u>	<u>644,218</u>	<u>644,218</u>	<u>-</u>
Fund Balance – End of Year*	<u>\$ 458,259</u>	<u>\$ 458,259</u>	<u>\$ 634,544</u>	<u>\$ 206,285</u>

*Budgeted Ending Fund Balance includes \$9,978 budgeted TABOR emergency reserves.

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