

**MEADOWS METROPOLITAN DISTRICT NO. 4
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025

**MEADOWS METROPOLITAN DISTRICT NO. 4
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Independent Auditor's Report

Board of Directors
Meadows Metropolitan District No. 4
Douglas County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Meadows Metropolitan District No. 4 (District) as of and for the year ended December 31, 2025, 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 each major fund of Meadows Metropolitan District No. 4, as of December 31, 2025, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Responsibility of Management 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.

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 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 Responsibility 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
July 14, 2026

BASIC FINANCIAL STATEMENTS

MEADOWS METROPOLITAN DISTRICT NO. 4
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments - Restricted	\$ 739,344
Receivable - Homeowners Association	11,299
Receivable - County Treasurer	1,704
Receivable - Town of Castle Rock	19,844
Receivable - Conservation Trust Fund	31,605
Prepaid Insurance	19,678
Due from Other Districts	88,824
Property Tax Receivable	260,158
Capital Assets:	
Capital Assets, Not Being Depreciated	55,841
Capital Assets, Net of Depreciation	<u>145,281</u>
Total Assets	<u>1,373,578</u>
LIABILITIES	
Accounts Payable	57,908
Due to Other Districts	<u>385,704</u>
Total Liabilities	<u>443,612</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>260,158</u>
Total Deferred Inflows of Resources	<u>260,158</u>
NET POSITION	
Net Investment in Capital Assets	201,122
Restricted for:	
Emergency Reserves	28,400
Capital Projects - CTF	13,203
Capital Projects	51,355
Operations	<u>375,728</u>
Total Net Position	<u><u>\$ 669,808</u></u>

See accompanying Notes to Basic Financial Statements.

MEADOWS METROPOLITAN DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS	Expenses			Governmental Activities
Primary Government:				
Governmental Activities:				
General Government and Intergovernmental	\$ 14,807,765	\$ -	\$ 14,311,135	\$ (304,207)
Total Governmental Activities	\$ 14,807,765	\$ -	\$ 14,311,135	(304,207)
GENERAL REVENUES				
Property Taxes				265,083
Specific Ownership Taxes				20,403
Interest Income				36,662
Total General Revenues and Transfers				322,148
SPECIAL ITEMS				
Capital Assets Contributed to District (Note 4)				201,122
Total Special Items				201,122
CHANGES IN NET POSITION				219,063
Net Position - Beginning of Year				450,745
NET POSITION - END OF YEAR				\$ 669,808

See accompanying Notes to Basic Financial Statements.

MEADOWS METROPOLITAN DISTRICT NO. 4
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Special Revenue	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	\$ -	\$ 367,978	\$ 371,366	\$ 739,344
Receivable - Homeowners Association	-	11,299	-	11,299
Receivable - County Treasurer	1,704	-	-	1,704
Receivable - Town of Castle Rock	-	19,844	-	19,844
Receivable - Conservation Trust Fund	-	-	31,605	31,605
Due From Other Districts	-	88,824	-	88,824
Due from Other Funds	-	1,704	-	1,704
Prepaid Insurance	-	19,678	-	19,678
Property Tax Receivable	260,158	-	-	260,158
Total Assets	<u>\$ 261,862</u>	<u>\$ 509,327</u>	<u>\$ 402,971</u>	<u>\$ 1,174,160</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 57,908	\$ -	\$ 57,908
Due to Other Funds	1,704	-	-	1,704
Due to Other Districts	-	47,291	-	47,291
Due to Other Districts - CTF	-	-	338,413	338,413
Total Liabilities	1,704	105,199	338,413	445,316
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	260,158	-	-	260,158
Total Deferred Inflows of Resources	260,158	-	-	260,158
FUND BALANCES				
Nonspendable:				
Prepaid Expense	-	19,678	-	19,678
Restricted for:				
Emergency Reserves	-	28,400	-	28,400
Capital Projects	-	-	64,558	64,558
Committed:				
Operations	-	356,050	-	356,050
Total Fund Balances	-	404,128	64,558	468,686
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 261,862</u>	<u>\$ 509,327</u>	<u>\$ 402,971</u>	

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

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

201,122

Net Position of Governmental Activities

\$ 669,808

See accompanying Notes to Basic Financial Statements.

MEADOWS METROPOLITAN DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Special Revenue	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 265,083	\$ -	\$ -	\$ 265,083
Specific Ownership Taxes	20,403	-	-	20,403
Intergovernmental Revenue - Other Districts	-	14,277,825	-	14,277,825
Development Fees	-	183,797	-	183,797
Street Oversizing Fees	-	5,463	-	5,463
Cost Reimbursements - Homeowners Association	-	33,310	-	33,310
Interest Income	250	34,508	1,904	36,662
CTF Proceeds	-	-	3,163	3,163
Total Revenues	285,736	14,534,903	5,067	14,825,706
EXPENDITURES				
Current:				
Accounting	-	140,340	-	140,340
Auditing	-	23,000	-	23,000
Banking Fees	-	646	-	646
County Treasurer's Fee	3,980	-	-	3,980
Dues And Membership	-	2,379	-	2,379
Election	-	36,122	-	36,122
Collection Expense - Town	-	460	-	460
Insurance	-	19,567	-	19,567
Intergovernmental Expenditures	-	30,000	-	30,000
Legal	-	164,440	-	164,440
Miscellaneous	-	4,910	-	4,910
Utilities - Electricity	-	6,281	-	6,281
Utilities - Water	-	38,152	-	38,152
Landscape Maintenance	-	346,967	-	346,967
Landscape Maintenance - Mca	-	77,399	-	77,399
Landscape Maintenance - Special Projects	-	55,824	-	55,824
Debt Service:				
Payment to Other Districts for Debt Service	-	13,841,548	-	13,841,548
Paying Agent Fees	-	15,000	750	15,750
Total Expenditures	3,980	14,803,035	750	14,807,765
EXCESS OF REVENUES OVER EXPENDITURES	281,756	(268,132)	4,317	17,941
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(281,756)	283,700	(1,944)	-
Total Other Financing Uses	(281,756)	283,700	(1,944)	-
NET CHANGE IN FUND BALANCES	-	15,568	2,373	17,941
Fund Balances - Beginning of Year	-	388,560	62,185	450,745
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 404,128</u>	<u>\$ 64,558</u>	<u>\$ 468,686</u>

See accompanying Notes to Basic Financial Statements.

MEADOWS METROPOLITAN DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 17,941
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Assets Contributed to District	<u>201,122</u>
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Changes in Net Position of Governmental Activities	<u><u>\$ 219,063</u></u>
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See accompanying Notes to Basic Financial Statements.

**MEADOWS METROPOLITAN DISTRICT NO. 4
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 265,082	\$ 265,083	\$ 1
Specific Ownership Taxes	23,857	20,403	(3,454)
Interest Income	100	250	150
Other Revenue	5,961	-	(5,961)
Total Revenues	<u>295,000</u>	<u>285,736</u>	<u>(9,264)</u>
EXPENDITURES			
Contingency	5,961	-	5,961
County Treasurer's Fee	3,976	3,980	(4)
Total Expenditures	<u>9,937</u>	<u>3,980</u>	<u>5,957</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	285,063	281,756	(3,307)
OTHER FINANCING SOURCES (USES)			
Transfer To Special Revenue Fund	(285,063)	(281,756)	3,307
Total Other Financing Sources (Uses)	<u>(285,063)</u>	<u>(281,756)</u>	<u>3,307</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

MEADOWS METROPOLITAN DISTRICT NO. 4
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental Revenue - Other Districts	\$ 14,629,006	\$ 14,277,825	\$ (351,181)
Development Fees	181,241	183,797	2,556
Street Oversizing Fees	3,900	5,463	1,563
Cost Reimbursements - Homeowners Association	35,700	33,310	(2,390)
Interest Income	30,000	34,508	4,508
Total Revenues	14,879,847	14,534,903	(344,944)
EXPENDITURES			
Accounting	115,000	140,340	(25,340)
Auditing	40,000	23,000	17,000
Banking Fees	70	646	(576)
Collection Expense - Town	418	460	(42)
Contingency	127,330	-	127,330
Dues And Membership	7,700	2,379	5,321
Election	-	36,122	(36,122)
Insurance	20,000	19,567	433
Intergovernmental Expenditures	-	30,000	(30,000)
Landscape Maintenance	320,000	346,967	(26,967)
Landscape Maintenance - MCA	60,000	77,399	(17,399)
Landscape Maintenance - Special Projects	130,000	55,824	74,176
Legal	40,000	164,440	(124,440)
Miscellaneous	3,100	4,910	(1,810)
Paying Agent Fees	15,000	15,000	-
Payments To Other Districts For Debt Service	14,214,042	13,841,548	372,494
Repairs And Maintenance	1,000	-	1,000
Utilities - Electricity	10,000	6,281	3,719
Utilities - Water	50,000	38,152	11,848
Total Expenditures	15,153,660	14,803,035	350,625
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	(273,813)	(268,132)	5,681
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	286,813	283,700	(3,113)
Total Other Financing Sources (Uses)	286,813	283,700	(3,113)
NET CHANGE IN FUND BALANCE	13,000	15,568	2,568
Fund Balance - Beginning of Year	478,000	388,560	(89,440)
FUND BALANCE - END OF YEAR	<u>\$ 491,000</u>	<u>\$ 404,128</u>	<u>\$ (86,872)</u>

See accompanying Notes to Basic Financial Statements.

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 DEFINITION OF REPORTING ENTITY

Organization

Meadows Metropolitan District No. 4 (the District), a quasi-municipal corporation, was organized on July 11, 1985, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado, and is entirely within the Town of Castle Rock (the Town). The District was established primarily to finance the construction of water, sewer and drainage systems, street improvements, safety control, park and recreational systems, and transportation facilities. At the time of completion of all the facilities and repayment of the bonds issued by District Nos. 1, 2, and 7, the Town may require that the Districts initiate dissolution procedures.

The District is one of seven similar contiguous metropolitan districts formed as a part of the Meadows Project (the Project).

The District is the Master District, which is responsible for the construction of the entire Project improvements and the allocation to each of the related Districts of its proportional share of the costs incurred. The District has entered into a Regional Facilities Cost Sharing Agreement (see Note 7), whereby the District annually sets assessments to the other Districts and collects all operating revenues except for property taxes and certain restricted revenues of the related Districts.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Redemption of bonds is recorded as a reduction in liabilities.

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

The District reports the following major governmental funds:

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

The Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with the other Districts as required under the Regional Facilities Cost Sharing Agreement.

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction and maintenance of recreational facilities.

Budgets

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

Pooled Cash and Investments

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

Property Taxes

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

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

Capital Assets

Capital assets, which include equipment, are reported in the governmental activities' column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Detention Pond

15 Years

Deferred Inflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets – this component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component.

Restricted – this component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors, or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.

Unrestricted – the component of net position that does not meet the definitions above.

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

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

**MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures ("Statement 102"). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Cash and Investments - Restricted	\$ 739,344
Total Cash and Investments	<u><u>\$ 739,344</u></u>

Cash and investments as of December 31, 2025, consist of the following:

Deposits with Financial Institutions	\$ 37,299
Investments	702,045
Total Cash and Investments	<u><u>\$ 739,344</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2025, the District's cash deposits had a bank balance and a carrying balance of \$37,299.

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

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

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

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

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

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

As of December 31, 2025, the District had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST PRIME)	Weighted-Average Under 60 Days	\$ 330,679
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	320,011
Morgan Stanley Institutional Liquidity Fund - Treasury Securites Portfolio	Weighted-Average Under 60 Days	51,355
		<u>\$ 702,045</u>

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

COLOTRUST

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

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

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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

Morgan Stanley Treasury Securities Fund

The Intergovernmental Agreement with the Town, as it relates to the Project's obligation to provide financial support for the East Plum Creek Trail, requires the Town to place in escrow a specific dollar value of the system development fees it collects on behalf of the District (see Note 7). As of December 31, 2025, the escrow agent had invested \$52,144 in the name of the District. The East Plum Creek Trail funds deposited in the United Missouri Bank account are invested in the Morgan Stanley Institutional Liquidity Funds' Treasury Securities Portfolio. This portfolio is a money market fund that is managed by Morgan Stanley Investment Management and each share is equal in value in \$1.00. The fund is AAAm rated and invests exclusively in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury securities. The average maturity of the underlying securities is 90 days or less.

The fund records its investments based on amortized cost. The District records its investment in the fund using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025 follows:

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ -	\$ 55,841	\$ -	\$ 55,841
Total Capital Assets, Not Being Depreciated	-	55,841	-	55,841
Capital Assets, Being Depreciated:				
Detention Pond	-	145,281	-	145,281
Total Capital Assets, Being Depreciated	-	145,281	-	145,281
Total Capital Assets, Being Depreciated, Net	-	145,281	-	145,281
Governmental Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ 201,122</u>	<u>\$ -</u>	<u>\$ 201,122</u>

Contributed assets were accepted but the District in December 2025, therefore no depreciation expense in 2025.

NOTE 5 LONG-TERM OBLIGATIONS

Under the terms of the Regional Facilities Cost Sharing Agreement (see Note 6), the District is liable for a portion of the total general obligation debt incurred by the other related Districts constituting the Project. At December 31, 2025, the total outstanding debt (for District Nos. 1, 2, and 7) was \$70,000,000 plus accrued and compounding interest of \$405,638,205. The ultimate amount payable by the District is not determinable because the amounts to be paid in future years for both principal and interest are determined annually based on revenues and relative changes in assessed valuations among the seven Districts.

General Obligation Bonds, Series 1989A, 1989B, and 1989C

The General Obligation Bonds, Series 1989A, 1989B, and 1989C, are characterized as general obligation bonds with a "capped mill levy". Effective June 1, 2002, District Nos. 1 through 7 (inclusive) entered into the First Amendment to the Amended and Restated Indenture of Trust which states that the remaining payments to the bond holders on the Series 1989 General Obligation Bonds will be made on a quarterly basis, instead of semi-annually. Therefore, interest of 7.999% is payable quarterly on March, June 1, September 1, and December 1 of each year. Any interest that is due and not paid at the end of each quarter is charged interest at a rate of 7.999% per annum. Unpaid current interest becomes accrued interest on December 1 of each year. Accrued interest compounds annually on December 1 of each year. The Project's (District Nos. 1 through 7, inclusive) required payment on the bonds is

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

limited to the proceeds generated from the limited mill levy of 35 mills and certain other revenues less priority expenses (see Note 7).

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds, Series 1989A, 1989B, and 1989C

The bonds mature as of June 1, 2029. Interest will not accrue after the 40-year term. However, the Project will continue to set the limited mill levy until the bonds and accrued interest are paid in full. The Project is not entitled to prepay the bonds during the 40-year term. However, the Project may maintain a sinking fund for future principal payments, provided that all accrued and current interest has been paid. Priority of principal repayment can be assigned among and between the bondholders. Revenues received by the Project will be disbursed for the following (in order of priority):

1. Priority expenses (see Note 7)
2. Current interest
3. Accrued interest from and after March 5, 1993
4. Accrued interest from September 1, 1989 through March 4, 1993
5. Principal
6. Capital improvements

During 2025 the District computed net revenues available for District Nos. 1, 2, and 7's debt service to be \$13,841,548 under the terms of the Regional Facilities Cost Sharing Agreement (see Note 7).

Interest on the bonds accrues and is determinable in each year, but a failure to pay accrued interest because of lack of revenue does not constitute a default. Thus, the actual amounts of payments to be made in future years will depend on revenues and cannot be predicted with certainty.

The District relies on the development of the entire Project to provide revenues and cash flows sufficient to pay the debt service obligations of District Nos. 1, 2, and 7 in future years. System development fees and property taxes will depend on future development and cannot be predicted with certainty.

Debt Authorization

As of December 31, 2025, the District has no authorized but unissued debt.

**MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 NET POSITION

The District has net position consisting of one component - restricted.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2025, as follows:

Restricted Net Position:

Emergency Reserve (see Note 11)	\$ 28,400
Capital Project - CTF	13,203
Capital Projects (see Note 8)	51,355
Operations (see Note 7)	<u>375,728</u>
Total Restricted Net Position	<u><u>\$ 468,686</u></u>

NOTE 7 REGIONAL FACILITIES COST SHARING AGREEMENT

In September 1988, the District and the other six related Districts entered into a Regional Facilities Cost Sharing Agreement. In 1993, the restated Fifth Amendment to this agreement was executed, and in 1994, the sixth amendment to this agreement became operational. The intent of these agreements is to have an equal mill levy throughout the Project and to participate fairly and equitably in the joint funding of operations and maintenance of the Project, the associated debt service costs of the Project, and the financing of Project facilities as defined in the intergovernmental agreement with the Town (see Note 8).

District No. 4 has been specified to coordinate and manage the operations and debt service payments of the Districts. District No. 4 receives the system development fees and other revenues of the Project (District Nos. 1 through 7) and collects property taxes and interest on behalf of District Nos. 2 through 7. District No. 1 collects its own property taxes, interest, and Conservation Trust Fund entitlements.

Priority expenses of the Project include the following: costs of revenue collection, operations, and maintenance expenses in an amount not to exceed \$200,000 per year, water service fees, and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$134,000 in 2025 as adjusted for inflation) is designated to be spent by District No. 1 for District No. 1's administration. The remainder (\$364,200 in 2025 as adjusted for inflation) is to be spent by the District as Master District for the Project.

Normal debt service-related costs such as paying agent fees and trustee fees and bond issuance costs have not been included in priority expenses. Written notice to this effect was provided to the bondholders.

Priority expenses are allocated to the Districts as administration charges based upon each individual District's percentage of assessed valuation to the total assessed valuation of the Project.

**MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7 REGIONAL FACILITIES COST SHARING AGREEMENT (CONTINUED)

The Project revenues collected by the District, to the extent not required to fund priority expenses and capital improvements of the Project approved by the bondholders, are to be allocated to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued and outstanding of District Nos. 1, 2, and 7.

Property taxes and other revenues of the other Districts in the Project, which are in excess of the individual District's allocated share of priority expenses, are to be allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as described above.

NOTE 8 INTERGOVERNMENTAL AGREEMENT – TOWN OF CASTLE ROCK

The District, together with the related contiguous Districts, entered into an Intergovernmental Agreement with the Town, dated December 1, 1991, and as amended on October 1, 1993, and December 12, 1996. The Agreement defines the responsibilities of the Town and the District with regard to the development of infrastructure, provision of services, maintenance responsibilities, and collection of system development fees. Additionally, the Town has oversight responsibilities and powers as to the District's future debt transactions and the District's ability to impose and collect future fees.

The District has transferred title to its facilities, water rights, and wastewater system capacity to the Town. The Districts do not have any commitment to develop additional facilities to serve the Project other than those described below.

The Town currently maintains and operates the District facilities, except for maintaining certain landscaping. The Town charges users directly for water, sewer, and irrigation water. The Town retains a 0.25% administrative fee to cover its cost of collection on all system development fees it collects on behalf of the Districts.

The District's landscape responsibilities relate to the maintenance of public street right-of-way, which is the landscaping between the right-of-way and the street curbing, as well as within street medians.

The Agreement further provides that when the water or wastewater capacities are fully utilized, the Districts and Town may agree that the Town will finance the development of additional water or wastewater capacity, and consequently, the Town will be entitled to recover its costs, including interest, from system development fees currently being collected by the Town. In 2007, the wastewater capacity maximum was reached, and the Town started to keep a portion of the wastewater system development fee.

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 INTERGOVERNMENTAL AGREEMENT – TOWN OF CASTLE ROCK (CONTINUED)

On June 16, 2015, the Agreement was amended (Third Amendment to Master Intergovernmental Agreement). Among other items, the third amendment to the Agreement provides that, after July 1, 2015, a portion of the system development fee that is being retained by the Town (capital reserve fee) will be imposed as a District Fee and collected by the Town and remitted to the Districts. The capital reserve fee may be increased by the Districts at the rate of not more than 5% per annum, compounded on each January 1 through the term of the Agreement. Additionally, the third amendment to the Agreement amended the allocation of the system development fee as follows: (i) the Town will retain the treatment component of the water system development fee when the demand for municipal water within the Project exceeds 7,548 SFEs, and (ii) beginning on July 1, 2015, the Town will retain 90% of the wastewater system development fee; provided that if the treatment component is less than 90%, the Town's retained portion shall reduce to reflect such actual treatment component percentage; however, if the treatment component is higher than 90%, the Town shall never retain more than 90% of the wastewater system development fee. As of May 31, 2022, the Project had exceeded 7,548 SFEs used.

The Project had an obligation to provide financial support in the amount of \$500,000 for the East Plum Creek Trail. The Town had directly deposited, into an escrow held by a trustee for the District, system development fees totaling \$500,000 in satisfaction of the East Plum Creek Trail obligation. Interest income generated from the escrow is allocated to District Nos. 1, 2, and 7 to be used for debt service. In 2009, the Project (through the Master District) remitted \$435,284 to the Town in connection with the East Plum Creek Trail and \$1,000 to the trustee for fees related to managing the account. As of December 31, 2025, the remaining balance in the East Plum Creek Trail escrow account was \$51,355.

NOTE 9 RELATED PARTIES

The Developer of the property is Castle Rock Development Company (Developer). All members of the Board of Directors are officers or employees associated directly or indirectly with these companies and may have conflicts of interest in dealing with the Districts.

NOTE 10 RISK MANAGEMENT

District Nos. 1 through 7 are exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or acts of God.

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

MEADOWS METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 10 RISK MANAGEMENT (CONTINUED)

The Districts pay annual premiums to the Pool for liability 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.

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

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

Section 29-1-1702, C.R.S., contains limitations on revenues generated from property tax revenues that apply to certain local governments within the state of Colorado.

Annual operating revenue is limited to a 5.25% increase, such increase is determined based on a prior assessment period and adjusted for allowable exclusions and exemptions from qualified property tax revenues.

The District's management believes it is in compliance with the provisions of Section 29-1-1702, C.R.S. However, this section of the C.R.S. is complex and subject to interpretation.

SUPPLEMENTARY INFORMATION

MEADOWS METROPOLITAN DISTRICT NO. 4
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget
REVENUES			
CTF Proceeds	\$ 4,000	\$ 3,163	\$ (837)
Interest Income	1,750	1,904	154
Total Revenues	5,750	5,067	(683)
EXPENDITURES			
Paying Agent Fees	750	750	-
Parks And Recreation	66,138	-	66,138
Total Expenditures	66,888	750	66,138
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(61,138)	4,317	65,455
OTHER FINANCING SOURCES (USES)			
Transfer To Special Revenue Fund	(1,750)	(1,944)	(194)
Total Other Financing Uses	(1,750)	(1,944)	(194)
NET CHANGE IN FUND BALANCE	(62,888)	2,373	65,261
Fund Balance - Beginning of Year	62,888	62,185	(703)
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 64,558</u>	<u>\$ 64,558</u>

OTHER INFORMATION

MEADOWS METROPOLITAN DISTRICT NO. 4
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Levied	Collected	
2020/2021	\$ 5,605,800	0.3%	0.000	35.000	\$ 196,203	\$ 196,148	99.97 %
2021/2022	5,612,870	0.1%	0.000	35.000	196,450	196,451	100.00 %
2022/2023	5,454,380	-2.8%	0.000	35.000	190,903	190,904	100.00 %
2023/2024	7,573,280	38.8%	0.000	35.000	265,065	265,065	100.00 %
2024/2025	7,573,780	0.0%	0.000	35.000	265,082	265,083	100.00 %
Estimated for Year Ending December 31, 2026	\$ 7,433,100	-0.019	0.000	35.000	260,158		

Note:
Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.