

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
2022 ANNUAL REPORT**

Pursuant to the Service Plan for Meadowbrook Heights Metropolitan District (the “District”), the District is required to provide an annual report to the Clerk of the Board of County Commissioners. For the year ending December 31, 2022, the District makes the following report:

**1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.**

There were no boundary changes made or proposed in the year ending December 31, 2022.

**2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.**

None.

**3. Access information to obtain a copy of rules and regulations adopted by the Board.**

During the report year the District established a Covenant Enforcement and Fine Policy dated July 19, 2022.

**4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.**

The District has no knowledge of any litigation involving the District’s Public Improvements as of December 31 of the prior year.

**5. Status of the District’s construction of the Public Improvements as of December 31 of the prior year.**

Construction of certain Public Improvements began in February 2019. As of the date of this report, all of the water, sewer, stormwater, street and other public improvements are complete.

**6. A list of all Public Improvements constructed by the District that have been dedicated to and accepted by the County as of December 31 of the prior year.**

All facilities or improvements described in the development plat have been constructed and dedicated to or accepted by the County, as applicable.

**7. The assessed valuation of the District for the current year.**

The District assessed valuation for 2022 was \$2,600,314.

8. **Current year budget including a description of the Public Improvements to be constructed in such year.**

The District's 2023 budget is attached hereto as **Exhibit A**. No improvements are expected to be constructed in 2023.

9. **A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", Part 6 of Article 1 of Title 29, or the application for exemption from audit, as applicable.**

The District's 2022 Audit is attached hereto as **Exhibit B**.

10. **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.**

None.

11. **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

None.

The foregoing filing and accompanying exhibits, if any, are submitted this 21stth day of July 2023.

MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT

BY: */s/ Thomas N. George*  
Thomas N. George, General Counsel

**EXHIBIT A**  
**2023 Budget**

**RESOLUTION  
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT, JEFFERSON COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023

WHEREAS, the Board of Directors of the Meadowbrook Heights Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 18, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ 53,356; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 148,504; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$ -0-; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Jefferson County is \$ 2,600,314; and

WHEREAS, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT OF JEFFERSON COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Meadowbrook Heights Metropolitan District for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 20.519 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the

following "Certification of Tax Levies," there is hereby levied a tax of 57.110 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Jefferson County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Jefferson County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

*[remainder of page intentionally left blank; signature page follows]*

ADOPTED this 18<sup>th</sup> day of November, 2022.

MEADOWBROOK HEIGHTS  
METROPOLITAN DISTRICT

*Kent Pedersen*

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Kent Pedersen, President

ATTEST:

*Debra Hessler*

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Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January 20, 2023

To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2023 budget and budget message for MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT in Jefferson County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 18, 2022. If there are any questions on the budget, please contact:

Carrie Beacom  
CliftonLarsonAllen LLP  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
[Carrie.beacom@claconnect.com](mailto:Carrie.beacom@claconnect.com)  
Tele: 303-779-5710

I, Kent Pedersen, as President of the Meadowbrook Heights Metropolitan District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Kent Pedersen  
Kent Pedersen, President



ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (11,914)	\$ 32,492	\$ 21,974
REVENUES			
Property taxes	45,706	153,500	201,860
Specific ownership tax	3,501	1,336	14,130
Interest income	9	1,412	450
Developer advance	5,159,355	8,519	34,586
Bond Proceeds	4,921,000	-	-
Total revenues	<u>10,129,571</u>	<u>164,767</u>	<u>251,026</u>
TRANSFERS IN	<u>12,728</u>	<u>2,519</u>	<u>-</u>
Total funds available	<u>10,130,385</u>	<u>199,778</u>	<u>273,000</u>
EXPENDITURES			
General Fund	32,991	63,818	107,000
Debt Service Fund	-	113,986	158,899
Capital Projects Fund	10,052,174	-	-
Total expenditures	<u>10,085,165</u>	<u>177,804</u>	<u>265,899</u>
TRANSFERS OUT	<u>12,728</u>	<u>-</u>	<u>2,519</u>
Total expenditures and transfers out requiring appropriation	<u>10,097,893</u>	<u>177,804</u>	<u>268,418</u>
ENDING FUND BALANCES	<u>\$ 32,492</u>	<u>\$ 21,974</u>	<u>\$ 4,582</u>
EMERGENCY RESERVE	<u>\$ 1,500</u>	<u>\$ 1,300</u>	<u>\$ 1,800</u>
TOTAL RESERVE	<u>\$ 1,500</u>	<u>\$ 1,300</u>	<u>\$ 1,800</u>

No assurance provided. See summary of significant assumptions.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

**ASSESSED VALUATION**

Vacant Land	597,021	51,890	690,365
State assessed	-	9	31,199
Residential	-	200,100	1,878,438
Personal property	-	1,110	312
Certified Assessed Value	\$ 597,021	\$ 253,109	\$ 2,600,314

**MILL LEVY**

General	75.664	20.000	20.519
Debt Service	0.000	55.664	57.110
Total mill levy	75.664	75.664	77.629

**PROPERTY TAXES**

General	\$ 45,173	\$ 5,062	\$ 53,356
Debt Service	-	14,089	148,504
Levied property taxes	45,173	19,151	201,860
Adjustments to actual/rounding	533	134,349	-
Refunds and abatements	-	-	-
Budgeted property taxes	\$ 45,706	\$ 153,500	\$ 201,860

**BUDGETED PROPERTY TAXES**

General	\$ 45,706	\$ 41,500	\$ 53,356
Debt Service	-	112,000	\$ 148,504
	\$ 45,706	\$ 153,500	\$ 201,860

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (11,914)	\$ 29,985	\$ 19,455
REVENUES			
Property taxes	45,706	41,500	53,356
Specific ownership tax	3,501	350	3,735
Interest income	2	400	450
Developer advance	38,409	8,519	34,586
Total revenues	<u>87,618</u>	<u>50,769</u>	<u>92,127</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>2,519</u>	<u>-</u>
Total funds available	<u>75,704</u>	<u>83,273</u>	<u>111,582</u>
EXPENDITURES			
General and administrative			
Accounting	12,092	16,500	19,000
County Treasurer's fee	686	625	800
Election expense	-	2,000	2,000
District management	8,786	11,000	15,000
Insurance and bonds	1,981	2,860	3,500
Legal services	7,403	12,500	14,000
Dues and licenses	213	333	1,500
Miscellaneous	113	500	5,000
Utilities	1,717	-	-
Landscape Maintenance	-	5,000	25,000
Trash Removal	-	12,500	15,000
Contingency	-	-	6,200
Total expenditures	<u>32,991</u>	<u>63,818</u>	<u>107,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>12,728</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>45,719</u>	<u>63,818</u>	<u>107,000</u>
ENDING FUND BALANCES	<u>\$ 29,985</u>	<u>\$ 19,455</u>	<u>\$ 4,582</u>
EMERGENCY RESERVE	<u>\$ 1,500</u>	<u>\$ 1,300</u>	<u>\$ 1,800</u>
TOTAL RESERVE	<u>\$ 1,500</u>	<u>\$ 1,300</u>	<u>\$ 1,800</u>

No assurance provided. See summary of significant assumptions.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	112,000	148,504
Specific ownership tax	-	986	10,395
Interest income	-	1,000	-
Total revenues	<u>-</u>	<u>113,986</u>	<u>158,899</u>
Total funds available	<u>-</u>	<u>113,986</u>	<u>158,899</u>
EXPENDITURES			
Debt service			
County Treasurer's fee	-	1,680	2,228
Bond interest	-	108,306	152,671
Paying agent fees	-	4,000	4,000
Total expenditures	<u>-</u>	<u>113,986</u>	<u>158,899</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>113,986</u>	<u>158,899</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/13/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 2,507	\$ 2,519
REVENUES			
Bond Proceeds	4,921,000	-	-
Interest income	7	12	-
Developer advance	5,120,946	-	-
Total revenues	<u>10,041,953</u>	<u>12</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>12,728</u>	<u>-</u>	<u>-</u>
Total funds available	<u>10,054,681</u>	<u>2,519</u>	<u>2,519</u>
EXPENDITURES			
Capital Projects			
Bond issue costs	316,914	-	-
Engineering	12,728	-	-
Capital outlay	5,120,946	-	-
Contingency	4,601,586	-	-
Total expenditures	<u>10,052,174</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other funds	<u>-</u>	<u>-</u>	<u>2,519</u>
Total expenditures and transfers out requiring appropriation	<u>10,052,174</u>	<u>-</u>	<u>2,519</u>
ENDING FUND BALANCES	<u>\$ 2,507</u>	<u>\$ 2,519</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Meadowbrook Heights Metropolitan District was approved by eligible electors of the District at an election held on November 5, 2019. The District was organized by order of the District County in and for Jefferson County on December 9, 2020. The District exists as a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, as amended (C.R.S). The District was established to provide financing for the design, acquisition, installation, construction, and completion of public improvements and services, including sanitation, water, streets, traffic and safety controls, landscaping, park and recreation, television relay and translation, mosquito control, security, covenant enforcement, and fire protection.

On November 5, 2019 the District's voters authorized total indebtedness of \$88,000,000 for capital improvements, \$8,000,000 for the purpose of refunding debt, \$8,000,000 for operations and maintenance debt, \$8,000,000 for reimbursement agreement as debt, \$8,000,000 for special assessment debt and \$8,000,000 in revenue debt. The service plan has limitation on the issuance of debt of \$8,000,000.00

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of the Colorado Revised Statutes C,R,S, 29-1-105 using its best estimates as of the date of the budget hearing. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**REVENUES**

**Developer Advance**

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**Property Taxes**

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

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.



**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**REVENUES – (continued)**

**Property Taxes – (continued)**

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

**EXPENDITURES**

**Administrative and Operating Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

The District issued Series 2021A<sub>(3)</sub> Bonds on July 12, 2021 in the amount of \$4,921,000.

Proceeds from the sale of the Series 2021A<sub>(3)</sub> Bonds will be used for the purposes of (1) financing or reimbursing a portion of the costs of designing, acquiring, constructing, relocating, installing, completing, and providing certain public infrastructure improvements related to the Development and (2) paying the costs of issuing the Bonds.

The Series 2021A<sub>(3)</sub> Bonds bear interest of 4.875% and are payable semi-annually on June 1 and December 1, beginning on June 1, 2022. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2034. The Series 2021A<sub>(3)</sub> Bonds mature on December 1, 2051. The Bonds are limited tax “cash flow” general obligations of the District payable solely from and to the extent of the Pledged Revenue as provided in the Indenture and as defined and described herein. The primary component of the Pledged Revenue is expected to be property tax revenues imposed and collected by the District and pledged to the payment of the Bonds pursuant to the Indenture.

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue which means:

- (a) the Required Mill Levy;
- (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Any revenue received by the District from any PILOT (payment in lieu of taxes) as a result of the imposition of the Required Mill Levy shall be pledged and treated hereunder in the same fashion as ad valorem mill levy revenues derived from the Required Mill Levy.

**Required Mill Levy**

Pursuant to the Indenture, the District has covenanted to impose a Required Mill Levy on all taxable property of the District each year in the amount of 55.664 mills less the number of mills necessary to pay unlimited debt (subject to adjustment for changes in the method of calculating assessed valuation that occur after January 1, 2019), or such lesser mill levy as will fund the Bond Fund to an amount sufficient to pay all outstanding principal and interest (both accrued and compounded) due on the Bonds.

The following table shows the District’s long-term obligations through December 31, 2021:

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

**Required Mill Levy** – (continued)

The following table shows the District’s long-term obligations through December 31, 2021:

	Balance - December 31, 2021	Additions	Retirements/ Reductions	Balance - December 31, 2022
G.O. Limited Tax Bonds - Series 2021A(3)	\$ 4,921,000	\$ -	\$ -	\$ 4,921,000
Developer Advances - Operating	75,851	8,519	-	84,370
Developer Advances - Capital	519,360	-	-	519,360
Accrued Interest - Developer Advances - Operating	5,388	5,659	-	11,047
Accrued Interest - Developer Advances - Capital	17,032	36,355	-	53,387
<b>Total</b>	<b>\$ 5,538,631</b>	<b>\$ 50,533</b>	<b>\$ -</b>	<b>\$ 5,589,164</b>
	Balance - December 31, 2022	Additions	Retirements/ Reductions	Balance - December 31, 2023
G.O. Limited Tax Bonds - Series 2021A(3)	\$ 4,921,000	\$ -	\$ -	\$ 4,921,000
Developer Advances - Operating	84,370	34,586	-	118,956
Developer Advances - Capital	519,360	-	-	519,360
Accrued Interest - Developer Advances - Operating	11,047	7,120	-	18,167
Accrued Interest - Developer Advances - Capital	53,387	36,355	-	89,742
<b>Total</b>	<b>\$ 5,589,164</b>	<b>\$ 78,061</b>	<b>\$ -</b>	<b>\$ 5,667,225</b>

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

**This information is an integral part of the accompanying budget.**

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$4,921,000**

**Senior Cash Flow Bonds, Series 2021**

**Dated July 13, 2021**

**Interest Rate 4.875%**

**Interest Due June 1 and December 1**

<b>Principal and Interest Maturing in the Year Ending December 31</b>	<b>Principal Due December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ -	\$ 151,431	\$ 151,431
2024	-	253,695	253,695
2025	-	253,695	253,695
2026	-	264,003	264,003
2027	-	264,003	264,003
2028	-	274,723	274,723
2029	-	274,723	274,723
2030	-	285,872	285,872
2031	-	285,872	285,872
2032	-	297,467	297,467
2033	-	297,467	297,467
2034	-	309,525	309,525
2035	-	309,525	309,525
2036	-	322,066	322,066
2037	46,000	276,010	322,010
2038	97,000	237,656	334,656
2039	102,000	232,928	334,928
2040	121,000	227,955	348,955
2041	127,000	222,056	349,056
2042	146,000	215,865	361,865
2043	154,000	208,748	362,748
2044	177,000	201,240	378,240
2045	185,000	192,611	377,611
2046	209,000	183,593	392,593
2047	219,000	173,404	392,404
2048	246,000	162,728	408,728
2049	258,000	150,735	408,735
2050	287,000	138,158	425,158
2051	300,000	124,166	424,166
2052	333,000	109,541	442,541
2053	349,000	93,308	442,308
2054	384,000	76,294	460,294
2055	402,000	57,574	459,574
2056	441,000	37,976	478,976
2057	338,000	16,478	354,478
	<b>\$ 4,921,000</b>	<b>\$ 7,183,091</b>	<b>\$ 12,104,091</b>

No assurance provided. See summary of significant assumptions.

# CERTIFICATION OF TAX LEVIES<sup>1777</sup> for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Jefferson County, Colorado.

On behalf of the Meadowbrook Heights Metropolitan District,  
 (taxing entity)<sup>A</sup>

the Board of Directors,  
 (governing body)<sup>B</sup>

of the Meadowbrook Heights Metropolitan District,  
 (local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,600,314 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 2,600,314 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/06/2022 for budget/fiscal year 2023.  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>20.519</u> mills	<u>\$53,356</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>20.519</u> mills</b>	<b><u>\$ 53,356</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>57.110</u> mills	<u>\$ 148,504</u>
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>77.629</u> mills</b>	<b><u>\$201,860</u></b>

Contact person: Debra Hessler Daytime phone: (303) 779-5710  
 (print)

Signed: Debra Hessler Title: Board Member  
DocuSigned by: 987811F3070C4EA...

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued****THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).**

Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:****BONDS<sup>J</sup>:**

- |    |                   |   |
|----|-------------------|---|
| 1. | Purpose of Issue: | <u>Public Improvements</u>  |
|    | Series:           | <u>General Obligation Limited Tax Bonds, Series 2021A<sup>(3)</sup></u> |
|    | Date of Issue:    | <u>July 13, 2021</u>  |
|    | Coupon Rate:      | <u>4.875%</u>   |
|    | Maturity Date:    | <u>December 1, 2051</u>   |
|    | Levy:             | <u>57.110</u>   |
|    | Revenue:          | <u>\$148,504</u>  |
|    |                   |   |
| 2. | Purpose of Issue: | _____   |
|    | Series:           | _____   |
|    | Date of Issue:    | _____   |
|    | Coupon Rate:      | _____   |
|    | Maturity Date:    | _____   |
|    | Levy:             | _____   |
|    | Revenue:          | _____   |
|    |                   |   |
| 3. | Purpose of Issue: | _____   |
|    | Title:            | _____   |
|    | Date:             | _____   |
|    | Principal Amount: | _____   |
|    | Maturity Date:    | _____   |
|    | Levy:             | _____   |
|    | Revenue:          | _____   |

**CONTRACTS<sup>K</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**EXHIBIT B**  
**2022 Audit**

**MEADOWBROOK HEIGHTS  
METROPOLITAN DISTRICT  
Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**



**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
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Board of Directors  
Meadowbrook Heights Metropolitan District  
Jefferson County, Colorado

Independent Auditor’s Report

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Meadowbrook Heights Metropolitan District (the “District”), as of and for the year ended December 31, 2022, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Meadowbrook Heights Metropolitan District as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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.

**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 (GAAP), 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 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 GAAS 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 GAAS, 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.

## Other Matters

### Required Supplemental Information

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

*Wipfli LLP*

Wipfli LLP  
Lakewood, Colorado

June 27, 2023

## **BASIC FINANCIAL STATEMENTS**

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 22,017
Cash and Investments - Restricted	8,838
Receivable - County Treasurer	84
Property Taxes Receivable	201,860
Capital Assets, Not Being Depreciated	5,120,946
Total Assets	5,353,745
<b>LIABILITIES</b>	
Accounts Payable	8,313
Accrued Bond Interest Payable	251,406
Noncurrent Liabilities:	
Due in More Than One Year	5,589,164
Total Liabilities	5,848,883
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	201,860
Total Deferred Inflows of Resources	201,860
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	1,300
Unrestricted	(698,298)
Total Net Position	\$ (696,998)

See accompanying Notes to Basic Financial Statements.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 67,111	\$ -	\$ -	\$ -	\$ (67,111)
Interest and Related Costs on Long-Term Debt	291,332	-	-	-	(291,332)
Total Governmental Activities	\$ 358,443	\$ -	\$ -	\$ -	(358,443)
 <b>GENERAL REVENUES</b>					
Property Taxes					154,426
Specific Ownership Taxes					1,314
Net Investment Income					2,851
Total General Revenues					158,591
 <b>CHANGE IN NET POSITION</b>					
					(199,852)
Net Position - Beginning of Year					(497,146)
 <b>NET POSITION - END OF YEAR</b>					
					\$ (696,998)

See accompanying Notes to Basic Financial Statements.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 22,017	\$ -	\$ -	\$ 22,017
Cash and Investments - Restricted	1,300	4,990	2,548	8,838
Receivable - County Treasurer	22	62	-	84
Property Taxes Receivable	53,356	148,504	-	201,860
Total Assets	\$ 76,695	\$ 153,556	\$ 2,548	\$ 232,799
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 8,313	\$ -	\$ -	\$ 8,313
Total Liabilities	8,313	-	-	8,313
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	53,356	148,504	-	201,860
Total Deferred Inflows of Resources	53,356	148,504	-	201,860
<b>FUND BALANCES</b>				
Restricted for:				
Emergency Reserves	1,300	-	-	1,300
Debt Service	-	5,052	-	5,052
Assigned to:				
Subsequent Year's Expenditures	14,873	-	-	14,873
Capital Projects	-	-	2,548	2,548
Unassigned	(1,147)	-	-	(1,147)
Total Fund Balances	15,026	5,052	2,548	22,626
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 76,695	\$ 153,556	\$ 2,548	
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.				
Capital Assets, Net				5,120,946
Long-term liabilities, including Developer advances payable and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(4,921,000)
Accrued Interest Payable - Bonds				(251,406)
Developer Advance Payable				(603,730)
Accrued Interest Payable - Developer Advances				(64,434)
Net Position of Governmental Activities				\$ (696,998)

See accompanying Notes to Basic Financial Statements.



**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 40,815	\$ 113,611	\$ -	\$ 154,426
Specific Ownership Taxes	347	967	-	1,314
Net Investment Income	755	2,055	41	2,851
Total Revenues	<u>41,917</u>	<u>116,633</u>	<u>41</u>	<u>158,591</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	16,596	-	-	16,596
Audit	5,500	-	-	5,500
County Treasurer's Fee	616	1,716	-	2,332
District Management	11,400	-	-	11,400
Dues and Licenses	333	-	-	333
Election Expense	2,055	-	-	2,055
Insurance and Bonds	2,860	-	-	2,860
Legal Services	11,872	-	-	11,872
Miscellaneous	854	-	-	854
Trash Removal	13,309	-	-	13,309
Debt Service:				
Paying Agent Fees	-	4,000	-	4,000
Bond Interest - Series 2021A Bonds	-	105,865	-	105,865
Total Expenditures	<u>65,395</u>	<u>111,581</u>	<u>-</u>	<u>176,976</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(23,478)	5,052	41	(18,385)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	8,519	-	-	8,519
Total Other Financing Sources (Uses)	<u>8,519</u>	<u>-</u>	<u>-</u>	<u>8,519</u>
<b>NET CHANGE IN FUND BALANCES</b>	(14,959)	5,052	41	(9,866)
Fund Balances - Beginning of Year	<u>29,985</u>	<u>-</u>	<u>2,507</u>	<u>32,492</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 15,026</u>	<u>\$ 5,052</u>	<u>\$ 2,548</u>	<u>\$ 22,626</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ (9,866)

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

The issuance of long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these difference in the treatment of long-term debt and related items as follows:

Developer Advances (8,519)

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

Accrued Interest on Bonds - Change in Liability (139,453)  
Accrued Interest on Developer Advances - Change in Liability (42,014)

Change in Net Position of Governmental Activities \$ (199,852)

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 5,062	\$ 40,815	\$ 35,753
Specific Ownership Taxes	354	347	(7)
Net Investment Income	-	755	755
Total Revenues	<u>5,416</u>	<u>41,917</u>	<u>36,501</u>
<b>EXPENDITURES</b>			
Accounting	16,500	16,596	(96)
Audit	-	5,500	(5,500)
County Treasurer's Fee	76	616	(540)
District Management	11,000	11,400	(400)
Dues and Licenses	1,500	333	1,167
Election Expense	2,000	2,055	(55)
Insurance and Bonds	3,000	2,860	140
Landscape Maintenance	23,600	-	23,600
Legal Services	11,500	11,872	(372)
Trash Removal	7,500	13,309	(5,809)
Miscellaneous	5,000	854	4,146
Contingency	3,324	-	3,324
Total Expenditures	<u>85,000</u>	<u>65,395</u>	<u>19,605</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(79,584)	(23,478)	56,106
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	95,000	8,519	(86,481)
Transfers to Other Funds	(23,331)	-	23,331
Total Other Financing Sources (Uses)	<u>71,669</u>	<u>8,519</u>	<u>(63,150)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(7,915)	(14,959)	(7,044)
Fund Balance - Beginning of Year	<u>8,188</u>	<u>29,985</u>	<u>21,797</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 273</u>	<u>\$ 15,026</u>	<u>\$ 14,753</u>

See accompanying Notes to Basic Financial Statements.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Meadowbrook Heights Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, located entirely in Jefferson County, Colorado, was organized on November 5, 2019, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide financing for the design, acquisition, installation, construction, and completion of public improvements and services, including sanitation, water, streets, traffic and safety controls, landscaping, park and recreation, television relay and translation, mosquito control, security, covenant enforcement, and fire protection.

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.

**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 property taxes and intergovernmental revenues.

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.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct and indirect 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 the 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.

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

The District reports the following major governmental funds:

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

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

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

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**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.

The District has amended its annual budget for the year ended December 31, 2022.

**Pooled Cash and Investments**

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

**Property Taxes**

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

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

**Capital Assets**

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), are reported in the applicable 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.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 capital assets, as applicable.

**Deferred Inflows 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.

**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.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Equity (Continued)**

**Fund Balance (Continued)**

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

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

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

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 22,017
Cash and Investments - Restricted	8,838
Total Cash and Investments	<u>\$ 30,855</u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 4,516
Investments	26,339
Total Cash and Investments	<u>\$ 30,855</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.



**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Deposits with Financial Institutions (Continued)**

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, 2022, the District's cash deposits had a bank balance and carrying balance of \$4,516.

**Investments**

The District's formal investment policy is to follow 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, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	<u>\$ 26,339</u>

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**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 AAaf/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.

**NOTE 4 CAPITAL ASSETS**

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 5,120,946	\$ -	\$ -	\$ 5,120,946
Total Capital Assets, Not Being Depreciated	5,120,946	-	-	5,120,946
 Governmental Activities				
Capital Assets, Net	<u>\$ 5,120,946</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,120,946</u>

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance - December 31, 2021	Additions	Retirements	Balance - December 31, 2022	Due Within One Year
G.O. Limited Tax Bonds					
Series 2021A(3)	\$ 4,921,000	\$ -	\$ -	\$ 4,921,000	\$ -
G.O. Limited Tax Bonds					
Series 2021A(3) Accrued Interest	111,953	139,453	-	251,406	-
Subtotal Bonds Payable	<u>5,032,953</u>	<u>139,453</u>	<u>-</u>	<u>5,172,406</u>	<u>-</u>
Other Debts:					
Developer Advances - O&M	75,851	8,519	-	84,370	-
Interest on Developer					
Advances - O&M	5,388	5,659	-	11,047	-
Developer Advances - Capital	519,360	-	-	519,360	-
Interest on Developer					
Advances - Capital	17,032	36,355	-	53,387	-
Subtotal Other Debts	<u>617,631</u>	<u>50,533</u>	<u>-</u>	<u>668,164</u>	<u>-</u>
Total	<u>\$ 5,650,584</u>	<u>\$ 189,986</u>	<u>\$ -</u>	<u>\$ 5,840,570</u>	<u>\$ -</u>

The details of the District's long-term obligations are as follows:

**General Obligation Limited Tax Bonds, Series 2021A(3) (the Bonds)**

**Bond Proceeds**

The District issued the Bonds on July 13, 2021, in the par amount of \$4,921,000. Proceeds from the sale of the Bonds were used to finance or reimburse a portion of the costs of constructing certain public improvements and to pay the costs of issuance of the Bonds.

**Details of the Bonds**

The Bonds bear interest at the rate of 4.875% per annum and are payable annually on December 1, beginning on December 1, 2021 from, and to the extent of Pledged Revenue available, if any, and mature on December 1, 2051. The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Bonds compounds annually on each December 1. All of the Bonds and interest thereon are to be deemed to be paid and discharged on December 2, 2061 (the Termination Date), regardless of the amount of principal and interest paid prior to the Termination Date.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**General Obligation Limited Tax Bonds, Series 2021A(3) (the Bonds) (Continued)**

**Optional Redemption**

The Bonds are subject to redemption prior to maturity, at the option of the District, on September 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
September 1, 2026, to August 31, 2027	3.00%
September 1, 2027, to August 31, 2028	2.00
September 1, 2028, to August 31, 2029	1.00
September 1, 2029, and thereafter	0.00

**Pledged Revenue**

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) the Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

**Required Mill Levy**

The District is required to impose a Required Mill Levy on all taxable property of the District each year in the amount of 55.664 mills less the number of mills necessary to pay unlimited debt (subject to adjustment for changes in the method of calculating assessed valuation that occur after January 1, 2019), or such lesser mill levy as will fund the Bond Fund to an amount sufficient to pay all outstanding principal and interest (both accrued and compounded) due on the Bonds. The Required Mill Levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

The District's long-term obligations relating to the Series 2021A(3) general obligation bonds will be paid with available cash flow, therefore a schedule of principal and interest payments is not presented.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**General Obligation Limited Tax Bonds, Series 2021A(3) (the Bonds) (Continued)**

**Events of Default**

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this section:

- (a) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture;
- (b) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution;
- (c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

To the extent the principal of any Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Termination Date and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bond.

The Bonds do not have any unused lines of credit. The Bonds are not subject to early termination. The Bonds are not subject to acceleration. No assets have been pledged as collateral on the Bonds.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

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

**Authorized Debt**

On November 5, 2019, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$144,000,000 at an interest rate not to exceed 15% per annum. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Debt Authorized November 5, 2019	Authorization Used for Series 2021A(3) Bonds	Authorized But Unissued
Water	\$ 8,000,000	\$ 450,000	\$ 7,550,000
Streets	8,000,000	3,721,000	4,279,000
Traffic and Safety	8,000,000	-	8,000,000
TV Relay	8,000,000	-	8,000,000
Park and Recreation	8,000,000	-	8,000,000
Sanitation	8,000,000	750,000	7,250,000
Mosquito Control	8,000,000	-	8,000,000
Public Transportation	8,000,000	-	8,000,000
Security	8,000,000	-	8,000,000
Business Recruitment	8,000,000	-	8,000,000
Fire Protection	8,000,000	-	8,000,000
O&M Debt	8,000,000	-	8,000,000
IGA Debt	8,000,000	-	8,000,000
Revenue Debt	8,000,000	-	8,000,000
Special Assessment Debt	8,000,000	-	8,000,000
Reimbursement Agreements	8,000,000	-	8,000,000
Refunding	16,000,000	-	16,000,000
Total	<u>\$ 144,000,000</u>	<u>\$ 4,921,000</u>	<u>\$ 139,079,000</u>

The Service Plan also limits the total mill levy to 55.664 mills. Required Mill Levy is discussed under Bonds.

The District's Service Plan limits total debt issuance not to exceed \$8,000,000. In the future, the District may issue a portion of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**NOTE 6 RELATED PARTY**

The Developer of the property which constitutes the District is CalAtlantic Group, Inc. which is now known as Lennar, Corp (the Developer). The majority of members of the Board of Directors are employees, owners, or otherwise associated with the Developer, and may have had conflicts of interest in dealing with the District.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 6 RELATED PARTY (CONTINUED)**

**Developer Advance**

The District has entered into Funding and Reimbursement Agreements with the Developer as follows:

**Infrastructure Acquisition and Reimbursement Agreement**

The District and the Developer entered into an Infrastructure Acquisition and Reimbursement Agreement on March 5, 2020, whereby the Developer and the District acknowledge that the District does not presently have the funds necessary for the acquisition, financing, construction, and installation of the Public Infrastructure. Acquisition of certain Public Infrastructure financed and constructed by the Developer that is to be owned by the District will be reimbursed to the Developer.

Prior to the District's obligation to reimburse the Developer for District Eligible Costs, the District's engineer shall review invoices and other material provided by the Developer to substantiate the Developer's payment of District Eligible Costs and shall issue a cost certification form.

Simple interest shall accrue at 7% per annum (noncompounding) on each Payment Advance from the date of deposit into the District's account or from the date of direct payment by CalAtlantic.

As of December 31, 2022, \$519,360 of principal and \$53,387 of interest are outstanding under this Agreement.

**Reimbursement Agreement (Operations)**

The District and CalAtlantic Group, Inc. (the Developer) entered into a Reimbursement Agreement (Operations) on March 5, 2020, whereby the Developer agreed to loan moneys to the District for the purpose of covering revenue shortfalls with respect to operation and maintenance expenses of the District.

Under the Reimbursement Agreement (Operations), the obligation of the District is to make reimbursements plus interest to the Developer upon the advance of funds made by the Developer on behalf of or to the District, which advances shall be recorded and tracked by the District's accountant. No advances shall be made until the District has advised the Developer of the amount of the requested advance and the Developer has been provided with an opportunity to review and approve the advance.

Each loan advance made under the Reimbursement Agreement (Operations) accrued simple interest at the rate of 7.0% per annum from the date of such advance until the date such advance is repaid.

As of December 31, 2022, \$84,370 of principal and \$11,047 of interest are outstanding under this Agreement.

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 7 NET POSITION**

The District has net position consisting of two components –restricted and unrestricted.

Restricted 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 a restricted net position as of December 31, 2022, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 1,300
Total Restricted Net Position	\$ 1,300

The District has a deficit in unrestricted net position. This deficit amount is primarily a result of the District being responsible for the repayment of bonds issued, and accrued interest, for the construction of public improvements that will be conveyed to other governments.

**NOTE 8 RISK MANAGEMENT**

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

The District is a member of the Colorado Special Districts Property and Liability Pool (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.

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



**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 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.

On November 5, 2019, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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

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

## **SUPPLEMENTARY INFORMATION**

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 14,089	\$ 112,000	\$ 113,611	\$ 1,611
Specific Ownership Taxes	986	986	967	(19)
Net Investment Income	-	1,000	2,055	1,055
Total Revenues	<u>15,075</u>	<u>113,986</u>	<u>116,633</u>	<u>2,647</u>
<b>EXPENDITURES</b>				
Current:				
County Treasurer's Fee	211	1,680	1,716	(36)
Paying Agent Fees	4,000	4,000	4,000	-
Debt Service:				
Interest Expense - Series 2021A Bonds	38,195	108,306	105,865	2,441
Total Expenditures	<u>42,406</u>	<u>113,986</u>	<u>111,581</u>	<u>2,405</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(27,331)	-	5,052	5,052
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Other Funds	23,331	-	-	-
Total Other Financing Sources (Uses)	<u>23,331</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,000)	-	5,052	5,052
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (4,000)</u>	<u>\$ -</u>	<u>\$ 5,052</u>	<u>\$ 5,052</u>

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Net Investment Income	\$ -	\$ 41	\$ 41
Total Revenues	-	41	41
<b>EXPENDITURES</b>			
Total Expenditures	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	41	41
<b>OTHER FINANCING SOURCES (USES)</b>			
Total Other Financing Sources (Uses)	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	41	41
Fund Balance - Beginning of Year	-	2,507	2,507
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 2,548</b>	<b>\$ 2,548</b>

**MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2020	\$ -	0.000	0.000	\$ -	\$ -	0.00 %
2021	597,021	75.664	0.000	45,173	45,706	101.18
2022	253,109	20.000	55.664	19,151	154,426	806.36 *
Estimated for the Year Ending December 31, 2023	\$ 2,600,314	20.519	57.110	\$ 201,860		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.  
 \* Taxes collected in 2022 were much higher than what was levied. There were additional parcels of land assessed by the county after the final certification was prepared.