

**SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
MEADOWS METROPOLITAN DISTRICT NO. 1**

DATE: Wednesday, August 9, 2023
TIME: 6:30 p.m.
LOCATION: The Taft House
 3570 Celestial Avenue
 Castle Rock, Colorado 80104

BOARDS OF DIRECTORS	OFFICE	CURRENT TERM
Steven M. Thayer	President	2022-2025
Richard J. Morton	Sec./Treasurer	2023-2027
Steven Foster	Asst. Sec./Asst. Treasurer	2023-2027
Lon W. Roush	Asst. Sec./Asst. Treasurer	2022-2025
Eric Osterloh	Asst. Sec./Asst. Treasurer	2023- 2025

AGENDA & NOTICE FOR SPECIAL MEETING

1. Call to order, confirmation of quorum
2. Approval of the agenda, excuse absent Directors (as necessary)
3. Approval of the minutes for the regular meeting held May 10, 2023
4. Public comment
5. Financials
 - a. Review and accept Financial Statements through June 30, 2023
 - b. Schedule of cash deposits/conciliation of cash activity
 - c. Schedule of vouchers payable (May 2, 2023 through August 4, 2023)
6. Directors' Items
 - a. Town of Castle Rock Parks & Recreation Department update on the Butterfield Park renovation.
 - b. Discuss and revisit the Centura Hospital Presentation.
 - c. Discuss a request from the Meadows Community Association HOA regarding financial contributions towards landscaping projects.
7. Attorney's Items
8. Old Business

9. New Business

- a. Facility rental annual request for information

10. Continuation/Adjournment

**RECORD OF PROCEEDINGS
MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
MEADOWS METROPOLITAN DISTRICT NO. 1**

HELD: Wednesday, the 10th day of May, 2023, at 6:30 pm at The Taft House, 3570 Celestial Avenue, Castle Rock, CO 80104

ATTENDANCE:

A regular meeting of the Board of Directors of Meadows Metropolitan District No. 1, Town of Castle Rock, Douglas County, Colorado was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

President:	Absent
Vice-President:	Eric R. Osterloh
Secretary/Treasurer:	Richard J. Morton
Assistant Secretary/Treasurer:	Steven Foster
Assistant Secretary/Treasurer:	Lon W. Roush

Director Steven M. Thayer was absent and excused. There are no vacancies on the Board.

Also present were Marcy Blair and Susan Thayer for the Castle Rock Adventist Hospital Foundation, and Seef LeRoux of CliftonLarsonAllen LLP (CLA).

CALL TO ORDER:

Director Osterloh noted that a quorum was present for the purpose of conducting a meeting of the Board of Directors and called the regular meeting of the Board of Directors of the Meadows Metropolitan District No. 1 to order at 6:30 pm.

AGENDA:

The Board reviewed the agenda for the meeting and upon motion duly made, seconded and unanimously carried, approved the agenda as presented.

APPROVAL OF MINUTES:

The Board reviewed the minutes for the regular meeting held February 13, 2023. Following discussion, and upon motion duly made, seconded and unanimously carried, the Board approved the February 13, 2023 minutes, as presented.

PUBLIC COMMENT:

None.

FINANCIALS:

Financial Statements. Mr. LeRoux presented and reviewed the unaudited Financial Statements and related materials through March 31, 2023. Following discussion, upon motion duly made, seconded, and unanimously carried, the Board accepted the Financial Statements as presented.

Schedule of Cash Position. Mr. LeRoux presented for the Board's review, a schedule of cash position for the period ending March 31, 2023, as updated through April 25, 2023. Following discussion, and upon motion duly made, seconded, and unanimously carried, the Board accepted the schedule of cash position as presented.

Vouchers. Mr. LeRoux presented for the Board's review, the vouchers payable for the time-period November 11, 2022 through February 1, 2023. Following discussion, and upon motion duly made, seconded, and unanimously carried, the Board ratified approval of the vouchers payable for the time-period November 11, 2022 through February 1, 2023.

Mr. LeRoux presented for the Board's review, the vouchers payable for the time-period February 2, 2023 through May 2, 2023. Following discussion, and upon motion duly made, seconded, and unanimously carried, the Board ratified approval of the vouchers payable for the time-period February 2, 2023 through May 2, 2023.

2022 Draft Audit. Mr. LeRoux reviewed the draft audit with the Board. Following discussion, and upon motion duly made, seconded, and unanimously carried, the Board accepted the December 31, 2022 Draft Audit Report and directed it be finalized and filed subject to legal review.

DIRECTORS' ITEMS:

Town of Castle Rock Parks & Recreation Department on Buttermilk Renovation. No update provided at this time.

Presentation by Castle Rock Adventist Hospital Foundation. Marcy Blair and Susan Thayer presented to the Board, the community fundraiser to support establishment of the local cancer unit. The following items were presented regarding the fundraiser:

Campaign goal to raise a minimum of \$14,000,000.

- Build local chemotherapy infusion center;
- Provide programmatic essentials including survivorship counseling, nutrition coaching, and a boutique offering personal care items;
- Establish radiation therapy center where treatment can be readily administered; and

- Hire medical and radiation oncologists to work onsite.

Growing Community Needs.

- Number of cancer cases will grow with the growing population;
- There is no current local facility to treat cancer patients, causing some patients to have to travel sometimes up to 30-45 minute drives daily;
- Facility would bring treatment closer to home; and
- Requesting that the District provides a donation toward the campaign as part of the community it serves.

Following discussion, the Board determined it wanted to look deeper into the subject before deciding to donate to the campaign, and therefore tabled the matter until the next meeting.

ATTORNEY'S ITEMS:

None.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

ADJOURNMENT:

There being no further business to come before the Board and upon motion duly made, seconded, and unanimously carried, the meeting was adjourned.

The foregoing minutes constitute a true and correct copy of the above-referenced meeting and were approved by the Board of Directors of the Meadows Metropolitan District No. 1.

Secretary of the District

MEADOWS METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

JUNE 30, 2023

MEADOWS METROPOLITAN DISTRICT NO. 1
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Debt Service	Capital Projects - CTF	Total
ASSETS				
CURRENT ASSETS				
First Bank - Checking	\$ 5,054	\$ -	\$ -	\$ 5,054
C - Safe	-	-	23,977	23,977
Colotrust	881,442	-	-	881,442
UMB	-	425,586	-	425,586
Due from District No. 4	-	1,586,899	-	1,586,899
Receivable from County Treasurer	733,626	-	-	733,626
TOTAL ASSETS	\$ 1,620,122	\$ 2,012,485	\$ 23,977	\$ 3,656,584
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable	\$ 2,947	\$ -	\$ -	\$ 2,947
Due to District No. 4	737,509	-	-	737,509
Total Liabilities	740,456	-	-	740,456
FUND BALANCES				
Designated fund balance	494,340	-	-	494,340
Fund balance	385,326	2,012,485	23,977	2,421,788
Total Fund Balances	879,666	2,012,485	23,977	2,916,128
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,620,122	\$ 2,012,485	\$ 23,977	\$ 3,656,584

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

MEADOWS METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023

GENERAL FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	\$ 8,000	\$ 23,497	\$ 15,497
Property taxes	1,968,420	1,941,817	(26,603)
Specific ownership taxes	177,158	91,246	(85,912)
Other revenue	100	-	(100)
TOTAL REVENUES	<u>2,153,678</u>	<u>2,056,560</u>	<u>(97,118)</u>
EXPENDITURES			
Accounting	38,000	17,014	20,986
Audit	4,500	-	4,500
Capital improvements	511,358	218,804	292,554
Community support	20,000	18,950	1,050
Contingency	5,000	-	5,000
Directors' fees	2,000	900	1,100
Dues and memberships	1,300	1,238	62
Election expense	1,500	889	611
Insurance and bonds	2,300	2,125	175
Legal services	15,000	6,675	8,325
Miscellaneous	200	-	200
Payroll taxes	153	69	84
Unallocated priority expenses	34,047	-	34,047
Sub total	<u>635,358</u>	<u>266,664</u>	<u>368,694</u>
County Treasurer's fee	29,526	29,132	394
Intergovernmental expense - District No. 4	2,000,052	1,903,428	96,624
TOTAL EXPENDITURES	<u>2,664,936</u>	<u>2,199,224</u>	<u>465,712</u>
NET CHANGE IN FUND BALANCES	(511,258)	(142,664)	368,594
FUND BALANCES - BEGINNING	<u>515,858</u>	<u>1,022,330</u>	<u>506,472</u>
FUND BALANCES - ENDING	<u>\$ 4,600</u>	<u>\$ 879,665</u>	<u>\$ 875,065</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

**MEADOWS METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023**

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ 1,000	\$ 18,171	\$ 17,171
Intergovernmental revenue - District No. 4	4,969,853	4,675,397	(294,456)
Other revenue	86,147	-	(86,147)
TOTAL REVENUES	<u>5,057,000</u>	<u>4,693,568</u>	<u>(363,432)</u>
EXPENDITURES			
Bond interest	4,970,853	2,756,426	2,214,427
Contingency	86,147	-	86,147
TOTAL EXPENDITURES	<u>5,057,000</u>	<u>2,756,426</u>	<u>2,300,574</u>
NET CHANGE IN FUND BALANCES	-	1,937,142	1,937,142
FUND BALANCES - BEGINNING	<u>-</u>	<u>75,345</u>	<u>75,345</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 2,012,486</u>	<u>\$ 2,012,486</u>

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**MEADOWS METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023**

CAPITAL PROJECTS - CTF FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Conservation trust fund	\$ 51,000	\$ 12,114	\$ (38,886)
Interest income	2,000	3,469	1,469
TOTAL REVENUES	<u>53,000</u>	<u>15,583</u>	<u>(37,417)</u>
EXPENDITURES			
Parks and recreation	426,540	421,196	5,344
Trail amenities	50,000	-	50,000
TOTAL EXPENDITURES	<u>476,540</u>	<u>421,196</u>	<u>55,344</u>
NET CHANGE IN FUND BALANCES	(423,540)	(405,613)	17,927
FUND BALANCES - BEGINNING	<u>423,540</u>	<u>429,591</u>	<u>6,051</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 23,978</u>	<u>\$ 23,978</u>

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MEADOWS METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023

BOARD CONTROL

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Other revenue	100	-	(100)
TOTAL REVENUES	<u>100</u>	<u>-</u>	<u>(100)</u>
EXPENDITURES			
Accounting	38,000	17,014	20,986
Audit	4,500	-	4,500
Capital improvements	511,358	218,804	292,554
Community support	20,000	18,950	1,050
Contingency	5,000	-	5,000
Directors' fees	2,000	900	1,100
Dues and memberships	1,300	1,238	62
Election expense	1,500	889	611
Insurance and bonds	2,300	2,125	175
Legal services	15,000	6,675	8,325
Miscellaneous	200	-	200
Payroll taxes	153	69	84
Unallocated priority expenses	34,047	-	34,047
TOTAL EXPENDITURES	<u>635,358</u>	<u>266,664</u>	<u>368,694</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(635,258)	(266,664)	368,594
OTHER FINANCING SOURCES (USES)			
Transfer for Priority Expenses	124,000	124,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>124,000</u>	<u>124,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(511,258)	(142,664)	368,594
FUND BALANCES - BEGINNING	<u>515,858</u>	<u>1,022,330</u>	<u>506,472</u>
FUND BALANCES - ENDING	<u>\$ 4,599</u>	<u>\$ 879,665</u>	<u>\$ 875,066</u>

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**MEADOWS METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023**

IGA WITH DISTRICT NO. 4

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Interest income	\$ 8,000	\$ 23,497	\$ 15,497
Property taxes	1,968,420	1,941,817	(26,603)
Specific ownership taxes	177,158	91,246	(85,912)
TOTAL REVENUES	2,153,578	2,056,560	(97,018)
EXPENDITURES			
County Treasurer's fee	29,526	29,132	394
Intergovernmental expense - District No. 4	2,000,052	1,903,428	96,624
TOTAL EXPENDITURES	2,029,578	1,932,560	97,018
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	124,000	124,000	-
OTHER FINANCING SOURCES (USES)			
Transfer for Priority Expenses	(124,000)	(124,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(124,000)	(124,000)	-
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances - governmental funds have been omitted.

MEADOWS METROPOLITAN DISTRICT NO. 1

Schedule of Cash Position
June 30, 2023
Updated as of August 03, 2023

	General	Debt Service	Capital Projects/ CTF	Total
<u>First Bank Checking</u>				
Balance as of 06/30/23	\$ 5,053.81	\$ -	\$ -	\$ 5,053.81
Subsequent activities:				
7/31/2023 Transfer from ColoTrust	7,000.00	-	-	7,000.00
8/4/2023 Vouchers payable - bill.com	(7,043.39)	-	-	(7,043.39)
<i>Anticipated balance</i>	<u>\$ 5,010.42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,010.42</u>
<u>CSAFE</u>				
Balance as of 06/30/23	\$ -	\$ -	\$ 23,976.76	\$ 23,976.76
Subsequent activities:				
7/3/2023 CTF proceeds	-	-	9,508.14	9,508.14
7/31/2023 Interest Income	-	-	146.24	146.24
<i>Anticipated balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,631.14</u>	<u>\$ 33,631.14</u>
<u>ColotrustedPlus</u>				
Balance as of 06/30/23	\$ 881,442.04	\$ -	\$ -	\$ 881,442.04
Subsequent activities:				
4/3/2023 Transfer to Checking	-	-	-	-
7/10/2023 Property tax	733,625.83	-	-	733,625.83
7/19/2023 Transfer to Meadows Metro District No. 4	(737,509.18)	-	-	(737,509.18)
7/31/2023 Transfer to Checking	(7,000.00)	-	-	(7,000.00)
7/31/2023 Interest income	4,912.80	-	-	4,912.80
<i>Anticipated balance</i>	<u>\$ 875,471.49</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 875,471.49</u>
<u>UMB Bank - Trust Account</u>				
Balance as of 06/30/23	\$ -	\$ 425,585.86	\$ -	\$ 425,585.86
Subsequent activities:				
7/21/2023 Transfer from District No. 4	-	1,586,899.49	-	1,586,899.49
<i>Anticipated balance</i>	<u>\$ -</u>	<u>\$ 2,012,485.35</u>	<u>\$ -</u>	<u>\$ 2,012,485.35</u>
<i>Total Anticipated Balances</i>	<u>\$ 880,481.91</u>	<u>\$ 2,012,485.35</u>	<u>\$ 33,631.14</u>	<u>\$ 2,926,598.40</u>

MEADOWS METROPOLITAN DISTRICT NO. 1
Property Tax Reconciliation
Accrual Basis
2023

DISTRICT 1 Douglas County Month Assessed	DEBT SERVICE ONLY		SPECIFIC OWNERSHIP & RENTAL TAXES	INTEREST	TREASURER FEES	AMOUNT RECEIVED	MONTHLY	Y-T-D	PRIOR YEAR RECEIPTS PROP & SO TAXES	PRIOR YEAR MONTHLY % PROP TAXES ONLY	PRIOR YEAR YTD % PROP TAXES ONLY
	PROPERTY TAXES	DELINQUENT TAXES									
Rounding											
January	53,786.14	-	14,864.35	-	(806.80)	67,843.69	2.73%	2.73%	29,021.33	0.73%	0.73%
February	844,276.86	-	15,652.22	-	(12,664.13)	847,264.95	42.89%	45.62%	913,908.72	45.15%	45.88%
March	48,407.34	-	15,866.18	51.41	(726.90)	63,598.03	2.46%	48.08%	70,684.14	2.78%	48.66%
April	142,765.02	40,141.64	13,357.07	6.12	(2,743.70)	193,526.15	9.29%	57.37%	193,677.31	8.92%	57.58%
May	82,967.43	-	16,619.12	52.31	(1,245.30)	98,393.56	4.21%	61.59%	122,817.92	5.36%	62.94%
June	729,472.52	-	14,887.53	211.02	(10,945.24)	733,625.83	37.06%	98.65%	730,818.33	35.92%	98.86%
July						-	0.00%	98.65%	30,745.91	0.77%	99.63%
August						-	0.00%	98.65%	20,621.42	0.06%	99.68%
September						-	0.00%	98.65%	19,458.41	0.24%	99.92%
October						-	0.00%	98.65%	15,596.35	0.03%	99.95%
November						-	0.00%	98.65%	15,328.31	0.05%	100.00%
December (Accr)						-	0.00%	98.65%	12,851.41	0.00%	100.00%
	<u>1,901,675.31</u>	<u>40,141.64</u>	<u>91,246.47</u>	<u>320.86</u>	<u>(29,132.07)</u>	<u>2,004,252.21</u>	<u>98.65%</u>		<u>2,175,529.56</u>	<u>100.00%</u>	

Total for 2022 2,004,252.21

PROPERTY TAXES

TAX REVENUE PER BUDGET	PERCENT	NET TAX REVENUE RECEIVED	% TAXES RECEIVED
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TOTAL 1,968,420.00 100.00% 1,941,816.95 98.65%

TREASURER'S FEES

FEES PER BUDGET	PERCENT	PAID	% FEES PAID
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29,526.00 100.00% 29,132.07 98.67%

**MEADOWS METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Meadows Metropolitan District No. 1 (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 (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 the District, the Town may require that the District initiate dissolution procedures.

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

Meadows Metropolitan District No. 4 (District No. 4) 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 whereby District No. 4 annually sets assessments to the other districts and receives the facilities development fees and other revenue of the Project (District No. 1 through No. 7) and collects property taxes and interest on behalf of District No. 2 through No. 7. The District collects its own property taxes.

The District provides for its own administrative and operating expenditures and is a participant in an intergovernmental agreement ("District Agreement") between Meadows Metropolitan District Nos. 1 through No. 7 (inclusive, "the Project"), in which District No. 4 acts as the "Master District" for the Project. The District Agreement provides for the sharing of the Project costs including administrative services and debt service among the individual Districts of the Project. Most services, primarily consisting of landscape maintenance, are provided under the District Agreement by the Master District. All other services under the District's powers are provided by the Town of Castle Rock under a separate intergovernmental agreement.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. 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.

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

**MEADOWS METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

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, 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.

The District is required to impose a maximum Required Mill Levy of 35.000 mills for collection in 2023. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

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.

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 9% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on prior year's interest earnings.

**MEADOWS METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General and Administrative Expenditures

General and administrative expenditures are estimated based upon the prior years' experience.

Capital Improvements

The District anticipates entering into contracts in 2023 to improve the Project using accumulated capital improvement reserves. Capital improvements may include costs related to improving streets and irrigation facilities.

The District anticipates spending Conservation Trust Fund monies for the construction or purchase of recreational facilities.

Debt Service

On December 29, 1993, the Series 1989A, 1989B and 1989C, General Obligation Bonds were restructured. The restructured bonds are characterized as General Obligation Bonds with a "capped mill levy". Interest of 7.999% is payable to the bondholder quarterly on March 1, June 1, September 1 and December 1 of each year. Unpaid current interest becomes accrued interest. Accrued interest compounds annually on December 1 of each year. The Project's required payment on the bonds is limited to the proceeds generated from the limited mill levy and Project Revenue less priority expenses. Priority expenses of the project include the following: costs of revenue collection, operations and maintenance expenses in an amount not to exceed \$200,000 as adjusted for inflation, water service fees and the cost of the landscape maintenance contract. Of the \$200,000 for operations and maintenance, \$50,000 (\$124,000 in 2023 as adjusted for inflation) is designated to be spent by the District for administration costs. The remainder (\$338,000 in 2023 as adjusted for inflation) is to be spent by the Master District for the Project.

The limited mill levy is to be levied (for collection in the year following the levy year) as follows:

<u>Collection Year</u>	<u>Mill Levy</u>
2003 and thereafter	35 mills

To the extent that District Nos. 1, 2, 3, 4, 5, 6, or 7 property tax revenue or other revenue exceed their allocated share of priority expenses, such excess is to be applied to District Nos. 1, 2, and 7's debt service requirements, based upon the percentage of the bonds issued by District Nos. 1, 2, and 7. Project Revenue, to the extent that it is not required to fund priority expenses and certain capital expenditures of the Project, is allocated to District Nos. 1, 2, and 7's debt service requirements in the same manner as excess revenue of the other Districts.

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 future revenue and cannot be predicted with certainty.

**MEADOWS METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

The Master District has been specified to coordinate debt service payments of the Project.

	Balance December 31, 2021	Additions	Payments	Balance December 31, 2022	Due Within One Year
General Obligation					
Bonds Series 1989A	\$ 30,730,000	\$ -	\$ -	\$ 30,730,000	\$ -
Accrued interest	141,385,645	13,644,078 (a)	5,192,696	149,837,027	-
Total	<u>\$172,115,645</u>	<u>\$ 13,644,078</u>	<u>\$ 5,192,696</u>	<u>\$180,567,027</u>	<u>\$ -</u>

	Balance December 31, 2022	Additions	Payments	Balance December 31, 2023	Due Within One Year
General Obligation					
Bonds Series 1989A	\$ 30,730,000	\$ -	\$ -	\$ 30,730,000	\$ -
Accrued interest	149,837,027	14,334,546 (b)	4,970,853	159,200,720	-
Total	<u>\$180,567,027</u>	<u>\$ 14,334,546</u>	<u>\$ 4,970,853</u>	<u>\$189,930,720</u>	<u>\$ -</u>

(a) Estimated for the year ending December 31, 2022

(b) Estimated for the year ending December 31, 2023

Leases

The District is not a Lessee under an operating lease or capital lease financing agreement. The District is a lessor in an agreement with Meadows Neighborhood Company, wherein the District will receive \$100 per year for use of a mobile stage.

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of fiscal year spending for 2023 as defined under TABOR.

Meadows Metropolitan District No. 1

Check List

All Bank Accounts

May 2, 2023 - August 4, 2023

Check Number	Check Date	Payee	Amount
Vendor Checks			
Bill.com Checks	05/31/23	CliftonLarsonAllen LLP	2,731.89
Bill.com Checks	05/31/23	Spencer Fane LLP	2,279.00
Bill.com Checks	05/31/23	Meadows Neighborhood Company	18,950.00
Bill.com Checks	06/08/23	Spencer Fane LLP	2,880.44
Bill.com Checks	06/30/23	Spencer Fane LLP	1,058.00
Bill.com Checks	06/30/23	CliftonLarsonAllen LLP	3,646.83
Bill.com Checks	08/02/23	Spencer Fane LLP	452.00
Bill.com Checks	08/02/23	Schilling & Company, Inc.	4,100.00
Bill.com Checks	08/02/23	CliftonLarsonAllen LLP	2,491.39
		Vendor Check Total	<u>38,589.55</u>
		Check List Total	<u><u>38,589.55</u></u>

Check count = 9