INTERLOCKEN CONSOLIDATED METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2022
with
Independent Auditors' Report

CONTENTS

	Page
Independent Auditors' Report	I
Basic Financial Statements	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non GAAP Basis) and Actual - General Fund	3
Notes to Financial Statements	4
Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	17
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Capital Projects Fund	18
Continuing Disclosure Annual Financial Information	
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	19

SIMMONS & WHEELER, P.C. Certified Public Accountants
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Independent Auditors' Report

Board of Directors
Interlocken Consolidated Metropolitan District
Broomfield County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Interlocken Consolidated 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 Interlocken Consolidated 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 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, andmaintenance of internal control relevant to the preparation and fair presentation of financial statements that are freefrom 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 mayraise 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 forone 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

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 opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

Other Information

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

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

Simmons & Wheeler P.C.

Englewood, CO
June 25, 2023

Interlocken Consolidated Metropolitan District

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2022

	General	Capital Projects	Debt Service	Total	Adjustments	Statement of Net Position
ASSETS						
Cash and deposits	$ 2,943,139	$ -	$ -	$ 2,943,139	$ -	$ 2,943,139
Cash and investments - restricted	3,200	184,484	2,702,546	2,890,230	-	2,890,230
Property taxes receivable - current	27,601	-	-	27,601	-	27,601
Property taxes receivable	-	-	8,729,091	8,729,091	-	8,729,091
Prepaid expenses	1,683	-	-	1,683		1,683
Prepaid bond insurance	-	-	-	-	78,291	78,291
Capital assets						
Park and recreation facilities	-	-	-	-	7,027,796	7,027,796
Total Assets	2,975,623	184,484	11,431,637	14,591,744	7,106,087	21,697,831
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	-	-	-	-	936,541	936,541
Total Deferred Outflows of Resources	-	-	-	-	936,541	936,541
Total Assets and Deferred Outflows of Resources	$ 2,975,623	$ 184,484	$ 11,431,637	$ 14,591,744		
LIABILITIES						
Accounts payable	$ 8,906	$ -	$ -	$ 8,906	-	8,906
Accrued interest on bonds	-	-	-	-	173,031	173,031
Long-term liabilities						
Due within one year	-	-	-	-	5,480,000	5,480,000
Due in more than one year	-	-	-	-	47,016,565	47,016,565
Total Liabilities	8,906	-	-	8,906	52,669,596	52,678,502
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	-	-	8,729,091	8,729,091	-	8,729,091
Total Deferred Inflows of Resources	-	-	8,729,091	8,729,091	-	8,729,091
FUND BALANCE						
Restricted						
Emergencies	3,200	-	-	3,200	(3,200)	-
Capital projects	-	184,484	-	184,484	(184,484)	-
Debt service	-	-	2,702,546	2,702,546	(2,702,546)	-
Unassigned	2,963,517	-	-	2,963,517	(2,963,517)	-
Total Fund Balances	2,966,717	184,484	2,702,546	5,853,747	(5,853,747)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,975,623	$ 184,484	$ 11,431,637	$ 14,591,744		
NET POSITION						
Restricted for:						
Emergencies					3,200	3,200
Capital projects					184,484	184,484
Debt service					2,529,515	2,529,515
Unrestricted					(41,490,420)	(41,490,420)
Total Net Position (Deficit)					$ (38,773,221)	$ (38,773,221)

The notes to the financial statements are an integral part of these statements.

Interlocken Consolidated Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	General	Capital Projects	Debt Service	Total	Adjustments	Statement of Activities
EXPENDITURES						
Accounting and audit	$ 39,500	$ -	$ -	$ 39,500	$ -	$ 39,500
Insurance	3,558	-	-	3,558	-	3,558
Legal	31,505	-	-	31,505	-	31,505
Miscellaneous expense	3,080	-	-	3,080	-	3,080
Treasurer's fees	-	-	130,060	130,060	-	130,060
Office expenses	278	-	-	278	-	278
Bond principal	-	-	5,220,000	5,220,000	(5,220,000)	-
Bond interest expense	-	-	2,333,781	2,333,781	(570,233)	1,763,548
Paying agent fees	-	-	800	800	-	800
Amortization of bond insurance	-	-	-	-	25,904	25,904
Total Expenditures	77,921	-	7,684,641	7,762,562	(5,764,329)	1,998,233
GENERAL REVENUES						
Property taxes	-	-	8,673,850	8,673,850	-	8,673,850
Specific ownership taxes	439,328	-	-	439,328	-	439,328
Payment in lieu of taxes	-	-	75,325	75,325	-	75,325
Interest income	2,733	1,336	63,781	67,850	-	67,850
Total General Revenues	442,061	1,336	8,812,956	9,256,353	-	9,256,353
NET CHANGE IN FUND BALANCES	364,140	1,336	1,128,315	1,493,791	(1,493,791)	
CHANGE IN NET POSITION					7,258,120	7,258,120
FUND BALANCE/NET POSITION:						
BEGINNING OF YEAR	2,602,577	183,148	1,574,231	4,359,956	(50,391,297)	(46,031,341)
END OF YEAR	$ 2,966,717	$ 184,484	$ 2,702,546	$ 5,853,747	$ (44,626,968)	$ (38,773,221)

The notes to the financial statements are an integral part of these statements.

Interlocken Consolidated Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Specific ownership taxes	$ 465,000	$ 439,328	$ (25,672)
Interest income	60	2,733	2,673
Total Revenues	465,060	442,061	(22,999)
EXPENDITURES			
Accounting and audit	37,000	39,500	(2,500)
Insurance	5,400	3,558	1,842
Legal	46,000	31,505	14,495
Directors' fees	2,000	-	2,000
Miscellaneous expense	3,500	3,080	420
Office expenses	3,850	278	3,572
Total Expenditures	97,750	77,921	19,829
NET CHANGE IN FUND BALANCE	367,310	364,140	(3,170)
FUND BALANCE:			
BEGINNING OF YEAR	2,159,204	2,602,577	443,373
END OF YEAR	$ 2,526,514	$ 2,966,717	$ 440,203

The notes to the financial statements are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

Interlocken Consolidated Metropolitan District (District) was created in 1994, to consolidate Interlocken Metropolitan District and Westech Metropolitan District as a quasi-municipal corporation and political subdivision of the State of Colorado. The District's service area is located entirely within the City and County of Broomfield (City). Its purposes are, in part, to finance and construct street improvements, recreation facilities and services, water and sewer distribution, collection and transmission facilities, storm drainage facilities within the District boundaries as detailed in its amended service plan. The District's primary revenues are property taxes. The District is managed by an elected Board of Directors.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

Definition of Reporting Entity

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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.*

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 the related cash flow. Property taxes are recognized as revenues in the year for which they are levied.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Assets, liabilities and net position

Fair value of financial instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Loss on Refunding

The deferred loss on refunding from the issuance of Series 2018A-2 Bonds is being amortized over the respective terms of the bonds using the interest method. Accumulated amortization amounted to $1,184,973 at December 31, 2022.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report 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(s) 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. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital assets

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The capitalization threshold is $5,000.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2022.

Property Taxes

Property taxes are levied by the District. 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 during December by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of each 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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July and tax sales are in November. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Budgets

Budgets are adopted on a non-GAAP basis for the governmental funds.

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 District's Board of Directors can modify the budget and appropriations resolutions upon completion of notification and publication requirements in accordance with State Budget Law. The appropriation is at the total fund expenditures level and lapses at year end.

Subsequent to year end the District amended its total appropriations in the Debt Service Fund from $7,300,276 to $7,711,320 as a result of increased interest expense.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $3,200 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $2,702,546 is restricted for the payment of the debt service costs associated with the various bonds (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of $184,448 is restricted for capital improvements within the District.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets. At December 31, 2022, the District did not have anything to report in this category.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Deposits

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

Statement of Net Position:	
Cash and deposits	$ 2,943,139
Cash and investments – restricted	2,890,230
Total	$ 5,833,369

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

Deposits with financial institutions	$ 5,833,369
Total	$ 5,833,369

Deposits and investments
Custodial credit risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2022, none of the District's deposits were exposed to custodial credit risk.

Investments

The District had no investments at December 31, 2022.

Note 3: Fixed Assets

The following is an analysis of changes in fixed assets for the period:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Capital Assets not being depreciated				
Parks and Recreation improvements	$ 7,027,796	$ -	$ -	$ 7,027,796
	$ 7,027,796	$ -	$ -	$ 7,027,796

The District dedicated the potable water, storm and sanitary sewer systems and the streets and associated facilities (i.e. curb and gutter) to the City in accordance with the 1994 intergovernmental agreement, as amended. The District, through the Interlocken Owners' Association, Inc., maintains the recreation and park facilities.

Note 4: Long Term Debt

The District has issued the following long-term obligations:

$13,220,000 General Obligation Refunding Loan Series 2021
On September 22, 2021, the District entered into a Loan Agreement with Great Western Bank, and issued a note in the amount of $13,2200,000 ("2021 Loan") for the purpose of repaying a portion of the the Series 2018A 2 Bonds, and paying the costs of issuance. The 2021 Loan bears interest a rate of 1.59%. Interest payments on the 2021 Loan are on each June 1 and December 1 commencing on December 1, 2021. Principal payments on the Series 2020 Loan are on each December 1 commencing on December 1, 2026. The 2021 Loan matures on December 1, 2030 and is subject to Optional Prepayment on any date on and after September 22, 2021 upon the payment of the principal balance plus accrued interest and a prepayment premium ranging from 1% to 5% of the outstanding balance depending on the date of repayment.

The 2021 Loan is secured by the Pledged Revenue which includes the Required Mill Levy, the portion of the Specific Ownership taxes, any PILOT Revenue and any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue, and the Reserve Fund.

The District's annual debt service requirements for the 2021 Loan is as follows:

	Principal	Interest	Total
2023	$ -	$ 213,117	$ 213,117
2024	-	213,701	213,701
2025	-	213,117	213,117
2026	60,000	213,117	273,117
2027	65,000	212,150	277,150
2028-2030	13,095,000	524,989	13,619,989
Totals	$ 13,220,000	$ 1,590,193	$ 14,810,193

General Obligation Refunding Bonds Series 2018A – 1 and General Obligations Refunding Bonds Series 2018A-2

On November 7, 2018, the District issued $35,915,000 of General Obligation Refunding Bonds, Series 2018A-1 ("Series 2018A-1 Bonds"), and $29,160,000 General Obligation Refunding Bonds, Series 2018A-2 ("Series 2018A-2 Bonds"), or together (Series 2018A Bonds"). The Series 2018A-1 Bonds bear interest at 5.000%, with a final maturity of December 1, 2026 and are not subject to redemption prior to maturity, at the option of the District. The Series 2018A-2 Bonds bear interest at rates ranging from 3.625% to 5.000% with a final maturity of December 1, 2030

The Series 2018A-2 Bonds maturing on and before December 1, 2028, are not subject to redemption prior to maturity at the option of the District. The Series 2018A-2 Bonds maturing on and after December 1, 2030, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $5,000, in any order of maturity and in whole or partial maturities, on December 1, 2021, or on any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption Premium, and are subject to sinking fund redemptions. Interest on the Series 2018A Bonds is payable semiannually on June 1 and December 1, commencing December 1, 2018. Principal payments are due on December 1st of each year commencing December 1, 2019. Proceeds from the Series 2018A Bonds will be used to: i) refund certain the Series 2013A and B Notes of the District, ii) purchase a municipal bond insurance policy for the Bonds, and iii) pay the costs of issuing the bonds. The Series 2018A Bonds are general obligations of the District secured by a pledge of the full faith and credit of the District. All of the taxable property in the District and the Excluded Property is subject to the levy of an ad valorem tax to pay the principal of, interest on, and premium, if any, on the Series 2018A Bonds without limitation as to rate and in an amount sufficient to pay the Series 2018A Bonds when due.

Concurrently with the issuance of the Series 2018A Bonds, Assured Guaranty Municipal Corp ("AGM") issued a Municipal Bond Insurance Policy guaranteeing the scheduled payment of principal and interest payments when due. AGM's financial strength is rates "AA" (stable outlook) by S& P Global Ratings. The insurance extends over the life of the issue and cannot be canceled by AGM.

On September 22, 2021 a portion of the Series 2018A 2 Bond was repaid with proceeds from the 2021 Loan described above. The refunding resulted in a present value savings of $2,083,511.

The 2018 refunding resulted in an extension in the maturity of the refunded debt, and resulted in an economic gain of $1,179,340.

The District's annual debt service requirements for the Series 2018A Bonds is as follows:

	Principal	Interest	Total
2023	$ 5,480,000	$ 1,863,250	$ 7,343,250
2024	5,750,000	1,589,250	7,339,250
2025	6,040,000	1,301,750	7,341,750
2026	6,345,000	999,750	7,344,750
2027	6,660,000	682,500	7,342,500
2028	6,990,000	349,500	7,339,500
Totals	$ 37,265,000	$ 6,786,000	$ 44,051,000

The following is a summary of changes in long-term debt for the year:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022	Due in 1 year
General Obligation Refunding Bonds					
Series 2018A-1	28,275,000	-	5,220,000	23,055,000	5,480,000
Series 2018A-2	14,210,000	-	-	14,210,000	-
Series 2021 Loan	13,220,000	-	-	13,220,000	-
Total	55,705,000	-	5,220,000	50,485,000	5,480,000
Premium on bonds	2,731,812	-	720,247	2,011,565	-
Total	$ 58,436,812	$ -	$ 5,940,247	$ 52,496,565	$ 5,480,000

Debt Authorization

As of December 31, 2022, The District has approximately $21,082,262.50 general obligation debt for refunding purposes authorized remaining. Additionally, the District has approximately $34,408,592 general obligation debt authorized for improvement purposes remaining. The District has not budgeted to issue any new debt during 2023.

Note 5: Other Agreements

The District entered into a Payment in Lieu of Taxes Agreement with the State of Colorado ("State") effective December 19, 2013 whereby the State agreed to pay the District funds in an amount equal to the amount of ad valorem taxes the District would have collected in such year if the property was not exempt from the District's mill levy. The State agreed to make this payment for as long as it owns land within the District subject to the availability of funds and annual appropriations by the State. The State must notify the municipal securities rule-making board if it misses a payment. During 2022, the District collected $75,325.

Northwest Parkway Agreements

On October 11, 1999, Northwest Parkway Project Non-Profit Corporation, and Northwest Parkway Public Highway Authority (the Authority), entered into two separate agreements regarding the reimbursement of costs for the construction of the 96th Street improvements - one with the District (District Agreement) and one with Interlocken Ltd. (Interlocken Agreement). In the District agreement, the Authority, in part, agreed to reimburse the District $5,205,813. In the Interlocken Agreement the Authority, in part, agreed to reimburse Interlocken Ltd. the sum of $1,995,904. In March 2000 for good and valuable consideration, the Interlocken Agreement (including the reimbursement rights) was assigned to JP Interlocken, LLLP (the Developer). On November 20, 2007, for the sum of $1,995,904, the District agreed to purchase the reimbursement rights under the Interlocken Agreement from JP Interlocken LLLP.

On November 23, 2007, the Authority paid the sum of $6,449,202 to the District. On November 25, 2007, for the sum of $1,995,904, the District purchased the reimbursement rights under the Interlocken Agreement from JP Interlocken LLLP. As of December 31, 2007 the Authority has agreed to pay the District the remaining $752,515 due under the District Agreement when the funds are available. During 2020, the District did not receive any funds from the Authority.

Note 6: Related Parties

Use Agreements
The District and the Interlocken Owners' Association, Inc. ("IOA") have executed a use agreement with respect to each park. Pursuant to each use agreement, the IOA has agreed to maintain, operate and insure each park and related recreation facilities at no cost to the District. With respect to each park and as provided in each use agreement, the IOA provides, or contracts for, certain indemnification and insurance protections.

Major repair and replacement of those improvements situated on the parks remains the sole responsibility of the District. With respect to each park, the use agreement automatically renews for a one-year term unless either party terminates with notice pursuant thereto.

On December 20, 2007, the First Amendment to the Use Agreement was approved through which the District has conveyed, quitclaimed and assigned all of the improvements situated on West Park to the IOA. Those improvements include the baseball fields and improvements consistent with baseball fields. In the First Amendment, the District also consents to the IOA's entry into the Joint Use Agreement. On May 3, 2011, the agreements were further amended in order to change the allocation of responsibility for major repairs and replacements of improvements situated in each park from the District to the IOA.

The Joint Use Agreement was entered into effective January 1, 2008 which allows tenants and owners within the Interlocken business park and their respective employees and Broomfield citizens to use the baseball fields and other facilities at West Park. Use will be shared on a 50/50 basis between Broomfield and the IOA. The agreement sets forth the terms and conditions of each party's use.

Note 7: Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

On November 4, 1997, a majority of the District's electors authorized the District to collect and spend all currently levied taxes and all other revenue without regard to any limitations under TABOR.

Note 8: Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District maintains commercial insurance for various risks of loss. There were no claims in any of the past three fiscal years.

Note 9: Reconciliation of government-wide financial statements and fund financial statements

The Government Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

(1) capital improvements in government activities are not financial resources and, therefore are not reported in the funds;

(2) long-term liabilities are not due and payable in the current period and therefore are not reported in the funds;

(3) amounts reported in fund balance have been reclassified for inclusion in net position.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

(1) governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities;

(2) bond insurance consumes the current financial resources of the governmental funds, however, in the statement of activities, the cost is amortized over the life of the associated bonds; and,

(3) accrued interest reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported in the governmental funds.

SUPPLEMENTAL INFORMATION

Interlocken Consolidated Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	$ 8,137,014	$ 8,700,000	$ 8,673,850	$ (26,150)
Payment in lieu of taxes	76,000	76,000	75,325	(675)
Interest income	6,000	60,000	63,781	3,781
Total Revenues	8,219,014	8,836,000	8,812,956	(23,044)
EXPENDITURES				
Bond principal	5,490,000	5,220,000	5,220,000	-
Bond interest expense	1,664,970	2,350,000	2,333,781	16,219
Miscellaneous	2,500	2,500	-	2,500
Paying agent fees	7,500	7,500	800	6,700
Treasurer's fees	135,306	131,320	130,060	1,260
Total Expenditures	7,300,276	7,711,320	7,684,641	26,679
NET CHANGE IN FUND BALANCE	918,738	1,124,680	1,128,315	3,635
FUND BALANCE:				
BEGINNING OF YEAR	7,039,193	1,600,000	1,574,231	(25,769)
END OF YEAR	$ 7,957,931	$ 2,724,680	$ 2,702,546	$ (22,134)

The notes to the financial statements are an integral part of these statements.

Interlocken Consolidated Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest income	$ 24	$ 1,336	$ 1,312
Total Revenues	24	1,336	1,312
EXPENDITURES			
Capital expenditures	-	-	-
Total Expenditures	-	-	-
NET CHANGE IN FUND BALANCE	24	1,336	1,312
FUND BALANCE:			
BEGINNING OF YEAR	182,050	183,148	1,098
END OF YEAR	$ 182,074	$ 184,484	$ 2,410

The notes to the financial statements are an integral part of these statements.

Interlocken Consolidated Metropolitan District
Summary of Assessed Valuation, Mill Levy
and Property Taxes Collected
12/31/2022
(Unaudited)

Collection Year	Prior Year Assessed Valuation for Current Year Property Tax Levy	Percent Change	Mills Levied		Total Property Taxes		Percent Collected to Levied
			General	Debt Service	Levied	Collected	
1999	$ 38,085,110	67.8%	0.000	27.240	$ 1,037,438	$ 1,049,935	101.20%
2000	86,025,780	125.9%	0.000	27.240	2,343,342	2,365,627	100.95%
2001	132,754,220	54.3%	0.000	27.240	3,616,225	3,589,809	99.27%
2002	198,593,372	49.6%	0.000	27.240	5,409,683	5,375,267	99.36%
2003	208,397,460	4.9%	0.000	27.240	5,676,747	5,600,163	98.65%
2004	182,920,300	-12.23%	0.000	27.240	4,982,749	4,945,501	99.25%
2005	162,225,540	-11.31%	0.000	27.240	4,419,024	4,400,333	99.58%
2006	149,328,837	-7.95%	0.000	33.500	5,002,516	4,950,992	98.97%
2007	145,134,935	-2.81%	0.000	33.500	4,862,020	4,534,817	93.27%
2008	150,650,278	3.80%	0.000	33.500	5,046,784	5,042,197	99.91%
2009	163,748,580	8.69%	0.000	33.500	5,485,577	5,297,362	96.57%
2010	188,392,020	15.05%	0.000	33.500	6,311,133	6,121,148	96.99%
2011	182,998,410	-2.86%	0.000	33.500	6,130,447	5,923,364	96.62%
2012	170,337,660	-6.92%	0.000	33.500	5,706,312	5,423,546	95.04%
2013	164,750,595	-3.28%	0.000	33.500	5,519,145	5,455,798	98.85%
2014	189,999,910	15.33%	0.000	33.500	6,364,997	6,213,432	97.62%
2015	188,152,426	-0.97%	0.000	33.500	6,303,106	6,303,188	100.00%
2016	214,422,030	13.96%	0.000	33.500	7,183,138	6,925,262	96.41%
2017	217,627,280	1.49%	0.000	33.500	7,290,514	7,327,023	100.50%
2018	228,019,150	4.78%	0.000	33.500	7,638,642	7,613,429	99.67%
2019	207,194,078	-9.13%	0.000	33.357	6,911,284	6,910,928	99.99%
2020	242,999,320	17.28%	0.000	33.500	8,140,477	8,050,456	98.89%
2021	251,217,953	3.38%	0.000	33.500	8,386,245	8,438,096	100.62%
2022	264,984,045	6.42%	0.000	33.500	8,902,905	8,673,850	97.43%
Estimated for the year ending December 31, 2023	261,087,870	-1.55%	0.000	33.500	8,729,091		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.