

**CITADEL ON COLFAX BID
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022**

**CITADEL ON COLFAX BID
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YEAR ENDED DECEMBER 31, 2022**

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Board of Directors
Citadel on Colfax Business Improvement District
Arapahoe County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Citadel on Colfax Business Improvement 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 Citadel on Colfax Business Improvement 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.

Supplemental 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.

Other Information

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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.

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

April 13, 2022

BASIC FINANCIAL STATEMENTS

**CITADEL ON COLFAX BID
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 442,216
Cash and Investments - Restricted	1,488,805
Receivable - County Treasurer	571
Due from Sable Colfax MD	245,973
Property Taxes Receivable	132,585
Capital Assets, Net	<u>8,908,043</u>
Total Assets	<u>11,218,193</u>
LIABILITIES	
Accounts Payable	71,101
Accrued Bond Interest Payable	51,717
Due to Other Districts	1,697
Noncurrent Liabilities:	
Due in More Than One Year	<u>12,684,283</u>
Total Liabilities	<u>12,808,798</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>132,585</u>
Total Deferred Inflows of Resources	<u>132,585</u>
NET POSITION	
Net Investment in Capital Assets	
Restricted for:	
Emergency Reserves	2,300
Debt Service	1,734,294
Capital Projects	312,775
Unrestricted	<u>(3,772,559)</u>
Total Net Position	<u>\$ (1,723,190)</u>

See accompanying Notes to Basic Financial Statements.

**CITADEL ON COLFAX BID
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	\$ 141,845	\$ -	\$ 38,782	\$ -	\$ (103,063)
Interest and Related Costs on Long-Term Debt	708,187	-	103,683	-	(604,504)
Total Governmental Activities	\$ 850,032	\$ -	\$ 142,465	\$ -	(707,567)
 GENERAL REVENUES					
Property Taxes					122,391
Specific Ownership Taxes					7,729
Net Investment Income					44,318
Total General Revenues					174,438
 CHANGE IN NET POSITION					
					(533,129)
Net Position - Beginning of Year					(1,190,061)
 NET POSITION - END OF YEAR					
					\$ (1,723,190)

See accompanying Notes to Basic Financial Statements.

**CITADEL ON COLFAX BID
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Fund
ASSETS				
Cash and Investments	\$ -	\$ 110,726	\$ 331,490	\$ 442,216
Cash and Investments - Restricted	-	1,488,805	-	1,488,805
Receivable - County Treasurer	169	402	-	571
Due from Other Funds	-	-	13,208	13,208
Due from Sable Colfax MD	60,074	185,899	-	245,973
Property Taxes Receivable	37,348	95,237	-	132,585
	<u>\$ 97,591</u>	<u>\$ 1,881,069</u>	<u>\$ 344,698</u>	<u>\$ 2,323,358</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 38,754	\$ 424	\$ 31,923	\$ 71,101
Due to ARI	-	1,697	-	1,697
Due to Other Funds	13,208	-	-	13,208
Total Liabilities	<u>51,962</u>	<u>2,121</u>	<u>31,923</u>	<u>86,006</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	37,348	95,237	-	132,585
Total Deferred Inflows of Resources	<u>37,348</u>	<u>95,237</u>	<u>-</u>	<u>132,585</u>
FUND BALANCES				
Restricted for:				
Emergency Reserves	2,300	-	-	2,300
Debt Service	-	1,783,711	-	1,783,711
Assigned to:				
Subsequent Year's Expenditures	30,990	-	-	30,990
Capital Projects	-	-	312,775	312,775
Unassigned	(25,009)	-	-	(25,009)
Total Fund Balances	<u>8,281</u>	<u>1,783,711</u>	<u>312,775</u>	<u>2,104,767</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 97,591</u>	<u>\$ 1,881,069</u>	<u>\$ 344,698</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds				
Capital Assets				8,908,043
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.				
Series 2020A Bonds				(11,600,000)
Series 2020B Bonds				(930,000)
Accrued Bond Interest Payable Series 2020A Bonds				(51,717)
Accrued Bond Interest Payable Series 2020B Bonds				(154,283)
Net Position of Governmental Activities				<u>\$ (1,723,190)</u>

See accompanying Notes to Basic Financial Statements.

**CITADEL ON COLFAX BID
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 34,476	\$ 87,915	\$ -	\$ 122,391
Specific Ownership Taxes	2,286	5,443	-	7,729
Net Investment Income	818	31,779	11,721	44,318
PIF Revenue	-	37,654	-	37,654
Transfers from Other Districts (Sable)	38,782	66,029	-	104,811
Total Revenues	<u>76,362</u>	<u>228,820</u>	<u>11,721</u>	<u>316,903</u>
EXPENDITURES				
Current:				
Accounting	22,050	-	-	22,050
Audit	7,000	-	-	7,000
Banking Fees	-	1,116	554	1,670
Capital Outlay	-	-	298,390	298,390
County Treasurer's Fee	529	1,349	-	1,878
District Management	10,341	-	-	10,341
Dues and Subscriptions	-	-	285	285
Election Expense	150	-	-	150
Fence and Sign Maintenance	-	-	6,041	6,041
Irrigation Services	-	-	108,770	108,770
Landscaping	62,263	-	-	62,263
Legal	18,628	-	-	18,628
Miscellaneous	4,550	-	-	4,550
Repairs and Maintenance	6,989	-	-	6,989
Streets	-	-	298,337	298,337
Debt Service:				
Interest Expense - Series 2020A Bonds	-	620,798	-	620,798
Paying Agent Fees	-	7,000	-	7,000
PIF Collection Expense	-	5,454	-	5,454
Transfers to ARI	-	1,697	-	1,697
Total Expenditures	<u>132,500</u>	<u>637,414</u>	<u>712,377</u>	<u>1,482,291</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(56,138)	(408,594)	(700,656)	(1,165,388)
OTHER FINANCING SOURCES (USES)				
Repay Developer Advance	-	-	(16,282)	(16,282)
Transfers to Other Funds	(4,085)	-	4,085	-
Developer Advance	-	-	16,282	16,282
Total Other Financing Sources (Uses)	<u>(4,085)</u>	<u>-</u>	<u>4,085</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(60,223)	(408,594)	(696,571)	(1,165,388)
Fund Balances - Beginning of Year	<u>68,504</u>	<u>2,192,305</u>	<u>1,009,346</u>	<u>3,270,155</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,281</u>	<u>\$ 1,783,711</u>	<u>\$ 312,775</u>	<u>\$ 2,104,767</u>

See accompanying Notes to Basic Financial Statements.

**CITADEL ON COLFAX BID
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ (1,165,388)

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

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

Capital Outlay 705,497

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 Series 2020B Bonds - Change in Liability (73,238)

Change in Net Position of Governmental Activities \$ (533,129)

**CITADEL ON COLFAX BID
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 34,485	\$ 34,485	\$ 34,476	\$ (9)
Specific Ownership Taxes	2,760	2,760	2,286	(474)
Net Investment Income	-	1,000	818	(182)
Developer Advance	45,000	45,000	-	(45,000)
Transfers from Other Districts	-	40,000	38,782	(1,218)
Total Revenues	<u>82,245</u>	<u>123,245</u>	<u>76,362</u>	<u>(46,883)</u>
EXPENDITURES				
Accounting	15,000	22,000	22,050	(50)
Audit	-	7,000	7,000	-
Contingency	10,741	1,470	-	1,470
County Treasurer's Fee	517	530	529	1
District Management	15,000	15,000	10,341	4,659
Dues and Subscriptions	500	500	-	500
Election Expense	2,500	2,500	150	2,350
Insurance and Bonds	3,000	3,000	-	3,000
Landscaping	-	65,000	62,263	2,737
Legal	15,000	15,000	18,628	(3,628)
Miscellaneous	-	5,000	4,550	450
Repairs and Maintenance	-	8,000	6,989	1,011
Total Expenditures	<u>62,258</u>	<u>145,000</u>	<u>132,500</u>	<u>12,500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	19,987	(21,755)	(56,138)	(34,383)
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	-	(5,000)	(4,085)	915
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,000)</u>	<u>(4,085)</u>	<u>915</u>
NET CHANGE IN FUND BALANCE	19,987	(26,755)	(60,223)	(33,468)
Fund Balance - Beginning of Year	<u>11,438</u>	<u>68,504</u>	<u>68,504</u>	<u>57,066</u>
FUND BALANCE - END OF YEAR	<u>\$ 31,425</u>	<u>\$ 41,749</u>	<u>\$ 8,281</u>	<u>\$ 23,598</u>

See accompanying Notes to Basic Financial Statements.

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Citadel on Colfax Business Improvement District (District), is a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree on October 28, 2017, under Title 31. The District's service area is located in Arapahoe County, Colorado. The District was established as the Operating District and formed along with Colfax Sable Metropolitan District (Metro District) referred to as the Financing District to provide public street, traffic and safety, water, sewer, park and recreation, television relay and translation, and mosquito control facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District.

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 operation and administrative functions are contracted.

The District is not financially accountable for any other organization, but the District is a component unit of the City of Aurora.

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. Both statements present governmental activities, which are supported by 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.

**CITADEL ON COLFAX BID
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 governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are shown as increases in assets, and redemption of bonds are recorded as a reduction in liabilities.

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

The District reports the following major governmental funds:

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

The 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.

**CITADEL ON COLFAX BID
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 of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures 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 amended its annual budget for the year ended December 31, 2021.

Pooled Cash and Investments

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to assess the property tax obligation of 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 at the taxpayer's election, in equal installments in February and June. Delinquent taxpayers are notified in August and the sales of the resultant tax liens on delinquent properties are generally 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 a deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported 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 the net investment in capital assets component of the District's net position.

**CITADEL ON COLFAX BID
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 fixed assets, as applicable.

Deferred Outflows/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 government'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.

**CITADEL ON COLFAX BID
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	\$ 442,216
Cash and Investments - Restricted	1,488,805
Total Cash and Investments	<u>\$ 1,931,021</u>

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

Deposits with Financial Institutions	\$ 128,117
Investments	1,802,904
Total Cash and Investments	<u>\$ 1,931,021</u>

Deposits with Financial Institutions

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

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

At December 31, 2022, the District’s cash deposits had a bank balance and a carrying balance of \$128,117.

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

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

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk 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 Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 1,802,904

COLOTRUST

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

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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

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

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

NOTE 4 CAPITAL ASSETS

An analysis of changes in capital assets for the year ended December 31, 2022, follows:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Construction in Progress	<u>\$ 8,202,546</u>	<u>\$ 705,497</u>	<u>\$ -</u>	<u>\$ 8,908,043</u>

A portion of the capital assets constructed by the District are anticipated to be conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities will be removed from the District's financial records.

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022	Due Within One Year
General Obligation Bonds:					
Series 2020A Bonds	\$ 11,600,000	\$ -	\$ -	\$ 11,600,000	\$ -
Series 2020B Bonds	930,000	-	-	930,000	-
Accrued Interest on Series 2020B Bonds	81,045	73,238	-	154,283	-
Developer Advance	-	16,282	(16,282)	-	-
Total	<u>\$ 12,611,045</u>	<u>\$ 89,520</u>	<u>\$ (16,282)</u>	<u>\$ 12,684,283</u>	<u>\$ -</u>

The detail of the District's long-term obligations is as follows:

\$11,600,000 Special Revenue and Tax Supported Senior Bonds Series 2020A and \$930,000 in Tax Supported Subordinate Bonds, Series 2020B

On November 25, 2020, the District issued \$11,600,000 of Special Revenue and Tax Supported Senior Bonds, Series 2020A (2020A Bonds). The proceeds from the Series 2020A Bonds were used for the purposes of (a) paying for a portion of the costs of acquiring, constructing, and installing certain Public Improvements, (b) funding the Reserve Fund, (c) funding a portion of the interest to accrue on the Series 2020A Bonds through 2023, and (d) paying certain costs in connection with the issuance of the Series 2020A Bonds.

On November 25, 2020, the District issued \$930,000 of Tax Supported Subordinate Bonds, Series 2020 B (2020B Bonds). Proceeds from the sale of the Series 2020B Bonds were used for the purposes of (a) paying for a portion of the costs of acquiring constructing and installing certain Public Improvements and (b) paying certain costs in connection with the issuance of the Series 2020B Bonds. The Series 2020A Bonds bear interest at the rate of 5.35%. Interest payments are payable semiannually on each June 1 and December 1, commencing June 1, 2021 and mature on December 1, 2050. The Series 2020B Bonds bear interest at the rate of 7.875%. Payments toward interest and principal can be made provided the Series 2020A Bonds (and any other Senior Bonds outstanding) are current and the Reserve and Surplus Funds for the Series 2020A bonds and any other Senior Bonds are full.

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$11,600,000 Special Revenue and Tax Supported Senior Bonds Series 2020A and \$930,000 in Tax Supported Subordinate Bonds, Series 2020B (Continued)

The 2020A Bonds are subject to mandatory sinking fund redemption prior to the maturity date, upon payment of par and accrued interest, without redemption premium, beginning December 1, 2025. The 2020A Bonds are subject to redemption prior to maturity, at the option of the District as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed ranging from 0% to 3%. The 2020B Bonds are subject to mandatory sinking fund redemption prior to maturity date beginning November 15, 2020 to the extent the amount in the Subordinate Bond Fund is in excess of the amount required to pay interest on the 2020B Bonds due on the next succeeding interest payment date. The Series 2020B Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000 in any order of maturity and in whole or partial maturities, commencing on December 15, 2025, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

The 2020A Series Bonds are secured by and payable solely from and to the extent of the Pledged Revenue, generally consisting of (a) Property Tax Revenues, (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, (c) the PIF Revenues, (d) the PILOT Revenues, if any, (e) the Capital Fees, if any, and (f) any other legally available moneys that the District determines, in its absolute discretion, to transfer to the Trustee as Pledged revenue. The 2020A Bonds are also secured by the Reserve Fund of \$848,448 and the Surplus Fund. Certain revenues have been pledged for the repayment of the Series 2020A Bonds by the Metro District. The Series 2020B Bonds are secured by the Subordinate Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Subordinate Required Mill Levy, the PIF Revenues, PILOT Revenues, and Capital Fees remaining after deduction of all amounts thereof used, paid, pledged, or otherwise applied to the payment of the 2020A Bonds and any other Senior Bonds; and any other legally available moneys which the District determines in its absolute discretion to transfer to the Trustee for application as Subordinate Pledged Revenue.

The Series 2020A Bonds principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 620,600	\$ 620,600
2024	-	620,600	620,600
2025	165,000	620,600	785,600
2026	200,000	611,773	811,773
2027	215,000	601,073	816,073
2028-2032	1,080,000	2,277,228	3,357,228
2033-2037	2,160,000	2,919,495	5,079,495
2038-2042	2,390,000	1,838,528	4,228,528
2043-2047	3,100,000	1,126,978	4,226,978
2048-2050	2,290,000	249,310	2,539,310
Total	<u>\$ 11,600,000</u>	<u>\$ 11,486,183</u>	<u>\$ 23,086,183</u>

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$11,600,000 Special Revenue and Tax Supported Senior Bonds Series 2020A and \$930,000 in Tax Supported Subordinate Bonds, Series 2020B (Continued)

The 2020B Bonds are paid from available cash flow so an amortization schedule for this series is not presented.

Debt Authorization

On November 7, 2017, a majority of the qualified electors of the District authorized the issuance of general obligation bonds for the purpose of financing new improvements and refunding bonds, respectively.

At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 7, 2017	Amount Used Series 2020A Bonds	Amount Used Series 2020B Bonds	Authorized Amount Remaining
Streets	\$ 200,000,000	\$ 6,960,000	\$ 558,000	\$ 192,482,000
Security	200,000,000	-	-	200,000,000
Parks and Recreation	200,000,000	1,160,000	93,000	198,747,000
Sanitation	200,000,000	1,740,000	139,500	198,120,500
Water	200,000,000	1,740,000	139,500	198,120,500
Traffic Safety	200,000,000	-	-	200,000,000
Transportation	200,000,000	-	-	200,000,000
Television Relay	200,000,000	-	-	200,000,000
Fire	200,000,000	-	-	200,000,000
Mosquito Control	200,000,000	-	-	200,000,000
Operations and Maintenance	200,000,000	-	-	200,000,000
Subtotal	<u>2,200,000,000</u>	<u>11,600,000</u>	<u>930,000</u>	<u>2,187,470,000</u>
Debt Refunding	200,000,000	-	-	200,000,000
Total	<u>\$ 2,400,000,000</u>	<u>\$ 11,600,000</u>	<u>\$ 930,000</u>	<u>\$ 2,387,470,000</u>

The District did not budget to issue any new debt during 2023. Per the District's Operating Plan, the District cannot issue debt in excess of \$50,000,000.

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 NET POSITION

The District has net position consisting of three components - net investment in capital assets, restricted and unrestricted.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 2,300
Debt Service	1,734,294
Capital Projects	312,775
Total Restricted Net Position	\$ 2,049,369

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The District has a deficit in unrestricted net position. This deficit amount was the result of the District being responsible for the financing and repayment of bonds issued for the construction of public improvements which will be dedicated to other entities for maintenance.

NOTE 7 RELATED PARTY

All of the Board of Directors are owners, officers, employees, or otherwise associated with Colfax Sable, LLC (Developer) and may have conflicts of interest in matters involving the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Operations Reimbursement Agreement

The District and the Developer have entered into a Reimbursement Agreement dated December 13, 2017 (as the same may be amended from time to time, the "ORA"). The ORA provides that the Developer will advance funds to the District for the purpose of paying the operating expenses of the District until December 31, 2018 and may be renewed for successive one year periods by the Developer and the District. The ORA has been renewed through December 31, 2021. The District agreed to reimburse such advances, together with interest thereon at a rate equal to 6% subject to annual appropriation and budget approval. No outstanding balance is due to the Developer as of December 31, 2022.

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 RELATED PARTY (CONTINUED)

Facilities Funding and Acquisition Agreements

The District and the Developer have entered into a Facilities Funding and Acquisition Agreement dated effective as of December 13, 2017 (as the same may be amended from time to time, the "FFAA"). The FFAA provides that, upon application of the District, the Developer may (a) construct or cause to have constructed by a general contractor the Public Improvements which the District will acquire after they have been completed, or (b) will initially fund the construction of Public Improvements by the District subject to reimbursement (both as particularly described therein). The District agreed to reimburse such advances, together with interest thereon at a rate equal to 8%, subject to annual appropriation and budget approval, bonds or other legally available revenue to repay such costs.

In the event that the District is unable to reimburse the Developer for any such advance or the acquisition of Public Improvements within thirty years of such event, any amount of principal and accrued interest outstanding at such time shall be deemed to be forever discharged and satisfied in full. Since payment of such reimbursement obligation is subject to annual appropriation, they are subordinate to all bonded indebtedness of the District, whenever issued (including the Series 2020 Bonds). The FFAA terminates on December 31, 2047, unless terminated earlier by mutual written agreement of the parties thereto. There are no outstanding balances due to the Developer as of December 31, 2022.

NOTE 8 AGREEMENTS

Capital Pledge Agreement

The District and the Metro District have entered into a Capital Pledge Agreement dated as of November 1, 2020 (the Pledge Agreement), pursuant to which the Metro District has pledged certain revenues to the payment of the Series 2020 Bonds. The Pledge Agreement provided that, in order to fund the Payment Obligations (as defined in the Pledge Agreement), the Metro District is to levy on all property subject to taxation by such Metro District, in addition to all other taxes, direct annual taxes in 2021 (for collection in 2022) and in each year thereafter so long as the Debt Obligations including the Series 2020 Bonds remain outstanding, in the amount of the Metro District Required Mill Levy and the Metro District Subordinate Required Mill Levy, as determined by the District. Nothing in the Pledge Agreement is to be construed to require the Metro District to impose an ad valorem property tax levy for the Payment Obligation in excess of the Metro District Required Mill Levy and the Metro District Subordinate Required Mill Levy, beyond the maximum debt mill levy terms as forth in the Service Plan or after the Pledge Agreement Termination Date. It is acknowledged by the Metro District that the District is required, in accordance with the Indentures, to determine the ad valorem property tax levy to be imposed by such Metro District under the Pledge Agreement in accordance with the terms of the Indentures (subject to the limitations of the Pledge Agreement, including the limitations of the Metro District Required Mill Levy and the Metro District Subordinate Required Mill Levy definition set forth therein).

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 AGREEMENTS (CONTINUED)

Capital Pledge Agreement (Continued)

In order to facilitate the determination of the Metro District Required Mill Levy and the Metro District Subordinate Required Mill Levy by the District, the Metro District is to provide to the District (i) on or before September 30 of each year, commencing September 30, 2021, the preliminary certification of assessed value for such Metro District provided by the County Assessor and the description of property assessed as residential; and (ii) no later than one (1) business day after receipt by the Metro District, the Final Assessed Valuation for the Metro District provided by the County Assessor (expected to be provided to the Metro District no later than December 10 of each year) for the Metro District. In accordance with the definitions of the Metro District Required Mill Levy and the Metro District Subordinate Required Mill Levy set forth in the Indentures, the District is to use such information to determine the Metro District Required Mill Levy, and the Metro District Subordinate Required Mill Levy, respectively, for such calendar year. The District is to preliminarily determine the Metro District Required Mill Levy and the Metro District Subordinate Required Mill Levy and provide the same to the Metro District no later than October 1 of each year commencing on October 1, 2020, and is to finally determine the Metro District Required Mill Levy and the Metro District Subordinate Required Mill Levy no later than December 10 of each year.

City Intergovernmental Agreement

The District and the City of Aurora (City) are parties to an Intergovernmental Agreement (City IGA) dated July 24, 2017 requiring the District to dedicate all of the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the approved development plan and other rules and regulations of the City and the applicable provisions of the City Code. The City IGA requires the District to impose a 1.000 mill levy (subject to adjustment for changes in the method of calculating the assessed valuation after January 1, 2004) for Aurora Regional Improvements (the ARI Mill Levy). The ARI Mill Levy increases to 1.500 mills from the 21st year through the date of repayment of debt incurred for Public Improvements, other than Regional Improvements; and for five years thereafter, the mill levy shall be the lesser of 20 mills or a mill levy equal to the average debt service mill levy imposed by such district in the 10 years prior to the date of repayment of debt issued for Public Improvements, other than Regional Improvements.

Intergovernmental District Facilities Construction and Service Agreement

The District and the Metro District are parties to an Intergovernmental Agreement (Metro District IGA) dated October 22, 2020 that outlines the District's responsibilities to operate and maintain the Public Improvements and to contract for all administrative services. Under this agreement the District contracts for all services and the Metro District agrees to fund the District for 100% of administrative services costs incurred to provide administration for the Metro District and to share in 56% of the Public Improvement operating and maintenance costs. The operating and maintenance costs are being shared based on land area of their respective Districts compared to the total land area for the development which is 44% for the District and 56% for the Metro District.

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 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 (Pool) as of December 31, 2022. 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.

NOTE 10 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 7, 2017, a majority of the District's electors who voted in the election authorized the District to collect and spend or retain in a reserve all revenues without regard to any limitations under Article X, Section 20 of the Colorado Constitution, or Section 29-1-301 of Colorado Revised Statutes.

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.

**CITADEL ON COLFAX BID
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 11 SUBSEQUENT EVENTS

Subsequent to year-end, the District and the Metro District's sole board member passed away, and the development is currently in estate proceedings. District operations and agreements may be subject to change based on the settlement of the estate.

SUPPLEMENTARY INFORMATION

**CITADEL ON COLFAX BID
DEBT SERVICE FUND
SCHEDULE 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)
REVENUES			
Property Taxes	\$ 87,937	\$ 87,915	\$ (22)
Specific Ownership Taxes	7,030	5,443	(1,587)
Net Investment Income	-	31,779	31,779
Other Revenue	3,000	-	(3,000)
PIF Revenue	-	37,654	37,654
Transfers from Colfax Sable	68,210	66,029	(2,181)
Total Revenues	<u>166,177</u>	<u>228,820</u>	<u>62,643</u>
EXPENDITURES			
Current:			
County Treasurer's Fee	1,319	1,349	(30)
Banking Fees	-	1,116	(1,116)
Contingency	7,681	-	7,681
Paying Agent/Trustee Fees	7,000	7,000	-
PIF Collection Expense	-	5,454	(5,454)
Transfer to ARI	-	1,697	(1,697)
Debt Service:			
Interest Expense - Series 2020A Bonds	675,000	620,798	54,202
	<u>691,000</u>	<u>637,414</u>	<u>53,586</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(524,823)</u>	<u>(408,594)</u>	<u>116,229</u>
NET CHANGE IN FUND BALANCE	(524,823)	(408,594)	116,229
Fund Balance - Beginning of Year	<u>2,124,117</u>	<u>2,192,305</u>	<u>68,188</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,599,294</u></u>	<u><u>\$ 1,783,711</u></u>	<u><u>\$ 184,417</u></u>

**CITADEL ON COLFAX BID
CAPITAL PROJECTS FUND
SCHEDULE 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)
REVENUES			
Net Investment Income	\$ 6,993	\$ 11,721	\$ 4,728
Developer Advance	-	16,282	16,282
Transfer from Other Fund	-	4,085	4,085
Total Revenues	<u>6,993</u>	<u>32,088</u>	<u>25,095</u>
EXPENDITURES			
Dues and Subscriptions	-	285	(285)
Banking Fees	259	554	(295)
Landscaping	50,615	-	50,615
Fence and Sign Maintenance	8,327	6,041	2,286
Streets	293,000	298,337	(5,337)
Capital Outlay	289,029	298,390	(9,361)
Irrigation Services	108,770	108,770	-
Total Expenditures	<u>750,000</u>	<u>712,377</u>	<u>37,623</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(743,007)	(680,289)	62,718
OTHER FINANCING SOURCES (USES)			
Repay Developer Advance	-	(16,282)	(16,282)
Total Other Financing Sources (Uses)	<u>763,986</u>	<u>(16,282)</u>	<u>150,862</u>
NET CHANGE IN FUND BALANCE	20,979	(696,571)	(717,550)
Fund Balance - Beginning of Year	<u>1,009,346</u>	<u>1,009,346</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,030,325</u>	<u>\$ 312,775</u>	<u>\$ (717,550)</u>

OTHER INFORMATION

CITADEL ON COLFAX BID
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022

\$11,600,000 Special Revenue and Tax Supported
Series 2020A Bonds, Dated November 25, 2020
Principal Due December 1
Interest Rate Fixed 5.35%

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2023	\$ -	\$ 620,600	\$ 620,600
2024	-	620,600	620,600
2025	165,000	620,600	785,600
2026	200,000	611,773	811,773
2027	215,000	601,073	816,073
2028	240,000	589,570	829,570
2029	255,000	576,730	831,730
2030	285,000	563,088	848,088
2031	300,000	547,840	847,840
2032	315,000	531,790	846,790
2033	330,000	514,938	844,938
2034	350,000	497,283	847,283
2035	370,000	478,558	848,558
2036	385,000	458,763	843,763
2037	410,000	438,165	848,165
2038	430,000	416,230	846,230
2039	455,000	393,225	848,225
2040	475,000	368,883	843,883
2041	500,000	343,470	843,470
2042	530,000	316,720	846,720
2043	560,000	288,365	848,365
2044	585,000	258,405	843,405
2045	620,000	227,108	847,108
2046	650,000	193,938	843,938
2047	685,000	159,163	844,163
2048	725,000	122,515	847,515
2049	760,000	83,728	843,728
2050	805,000	43,068	848,068
Total	<u>\$ 11,600,000</u>	<u>\$ 11,486,183</u>	<u>\$ 23,086,183</u>

CITADEL ON COLFAX BID
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	\$ 498,371	60.000	0.000	\$ 29,901	\$ 29,894	99.98 %
2021	526,788	10.000	51.000	32,133	32,143	100.03
2022	1,724,263	20.000	51.000	122,422	122,391	99.97
Estimated for the Year Ending December 31, 2023	\$ 1,867,401	7.516	27.561	\$ 132,585		

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