

BROADWAY STATION METRO DISTRICT NO. 3
Denver County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

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Board of Directors
Broadway Station Metropolitan District No. 3
Denver County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Broadway Station Metropolitan District No. 3 (the “District”), as of and for the year ended December 31, 2023, 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 Broadway Station Metropolitan District No. 3 as of December 31, 2023, 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 Supplementary Information

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

Supplementary Information

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



Wipfli LLP
Denver, Colorado

September 17, 2024

BASIC FINANCIAL STATEMENTS

**BROADWAY STATION METRO DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	\$ 26,146,522
Due from District No. 1	48,606
Receivable from County Treasurer	954
Property Tax Receivable	1,131,532
Interest receivable	100
Total Assets	27,327,714
LIABILITIES	
Accounts Payable	61,250
Due to District No. 1	1,775,205
Due to District No. 1 - Regional Mill Levy	72,572
Bond Interest Payable	194,938
Noncurrent Liabilities:	
Due Within One Year	58,356
Due in More Than One Year	118,946,324
Total Liabilities	121,108,645
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	1,131,532
Total Deferred Inflows of Resources	1,131,532
NET POSITION	
Restricted for:	
Debt Service	1,191,645
Unrestricted	(96,104,108)
Total Net Position	\$ (94,912,463)

See accompanying Notes to Basic Financial Statements.

**BROADWAY STATION METRO DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government	\$ 15,451,903	\$ -	\$ -	(15,451,903)
Interest on Long-Term Debt and Related Costs	7,044,262	-	-	(7,044,262)
Total Governmental Activities	\$ 22,496,165	\$ -	\$ -	(22,496,165)
GENERAL REVENUES				
Property Taxes				255,798
Specific Ownership Taxes				10,373
Interest Income				1,092,115
Total General Revenues and Transfers				1,358,286
CHANGES IN NET POSITION				(21,137,879)
Net Position - Beginning of Year				(73,774,584)
NET POSITION - END OF YEAR				\$ (94,912,463)

See accompanying Notes to Basic Financial Statements.

**BROADWAY STATION METRO DISTRICT NO. 3
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	\$ -	\$ 3,138,677	\$ 23,007,845	\$ 26,146,522
Receivable from County Treasurer	208	746	-	954
Due from District No. 1	-	48,606	-	48,606
Interest receivable	-	-	100	100
Property Tax Receivable	174,079	957,453	-	1,131,532
Total Assets	\$ 174,287	\$ 4,145,482	\$ 23,007,945	\$ 27,327,714
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 61,250	\$ 61,250
Due to District No. 1	\$ 208	\$ 7,000	\$ 1,767,997	\$ 1,775,205
Due to District No. 1 - Regional Mill Levy	-	72,572	-	72,572
Total Liabilities	208	79,572	1,829,247	1,909,027
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	174,079	957,453	-	1,131,532
Total Deferred Inflows of Resources	174,079	957,453	-	1,131,532
FUND BALANCES				
Restricted for:				
Debt Service	-	3,108,457	-	3,108,457
Capital Projects	-	-	21,178,698	21,178,698
Total Fund Balances	-	3,108,457	21,178,698	24,287,155
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 174,287	\$ 4,145,482	\$ 23,007,945	

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Bond Interest Payable	(194,938)
Accrued Contingent Liability	1,050,099
Bond Payable	(118,884,696)
Accrued Bond Interest - 2023	(98,388)
Developer Advance Payable	-
Bond Premium Payable	(1,071,695)

Net Position of Governmental Activities	\$ (94,912,463)
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See accompanying Notes to Basic Financial Statements.

**BROADWAY STATION METRO DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 27,181	\$ 95,134	\$ -	\$ 122,315
Specific Ownership Taxes	2,255	7,893	-	10,148
Regional Property Taxes	-	2,718	-	2,718
Regional Specific Ownership Taxes	-	225	-	225
Interest Income	181	207,205	884,729	1,092,115
District Cooperation Agreement Revenue	21,437	107,184	-	128,621
District Cooperation Agreement Revenue - Regional	-	2,144	-	2,144
Total Revenues	<u>51,054</u>	<u>422,503</u>	<u>884,729</u>	<u>1,358,286</u>
EXPENDITURES				
Current:				
County Treasurer's Fee	324	1,134	-	1,458
County Treasurer'S Fee - Regional	-	32	-	32
Transfers To District No. 1	50,730	-	15,399,716	15,450,446
Transfers To District No. 1 -Regional Mill Levy	-	5,054	-	5,054
Debt Service:				
Bond Interest	-	2,339,500	-	2,339,500
Bond Principal	-	5,000	-	5,000
Bond Issue Costs	-	-	787,017	787,017
Paying Agent Fees	-	7,000	-	7,000
Total Expenditures	<u>51,054</u>	<u>2,357,720</u>	<u>16,186,733</u>	<u>18,595,507</u>
EXCESS OF REVENUES UNDER EXPENDITURES	-	(1,935,217)	(15,302,004)	(17,237,221)
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	-	-	16,842,000	16,842,000
Bond Discount	-	-	(1,054,983)	(1,054,983)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>15,787,017</u>	<u>15,787,017</u>
NET CHANGE IN FUND BALANCES	-	(1,935,217)	485,013	(1,450,204)
Fund Balances - Beginning of Year	<u>-</u>	<u>5,043,674</u>	<u>20,693,685</u>	<u>25,737,359</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 3,108,457</u>	<u>\$ 21,178,698</u>	<u>\$ 24,287,155</u>

See accompanying Notes to Basic Financial Statements.

**BROADWAY STATION METRO DISTRICT NO. 3
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, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (1,450,204)

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

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Principal Payment	5,000
Bond Principal Accretion - Series 2019B	(3,855,789)
Bond Principal - Series 2023	(16,842,000)

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.

Bond Premium Amortization	53,362
Bond Discount - Series 2023	1,050,099
Accrued Interest - Change in Liability	<u>(98,347)</u>

Changes in Net Position of Governmental Activities \$ (21,137,879)

**BROADWAY STATION METRO DISTRICT NO. 3
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 24,286	\$ 27,181	\$ 2,895
Specific Ownership Taxes	1,214	2,255	1,041
Interest Income	-	181	181
Other Revenue	3,715	-	(3,715)
District Cooperation Agreement Revenue	25,361	21,437	(3,924)
Total Revenues	<u>54,576</u>	<u>51,054</u>	<u>(3,522)</u>
EXPENDITURES			
Contingency	2,215	-	2,215
County Treasurer's Fee	242	324	(82)
Transfers To District No. 1	52,119	50,730	1,389
Total Expenditures	<u>54,576</u>	<u>51,054</u>	<u>3,522</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 DEFINITION OF REPORTING ENTITY

Broadway Station Metro District No. 3 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for the City and County of Denver, Colorado recorded on May 12, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located entirely within the city and County of Denver, Colorado (Denver).

The District was formed in conjunction with Broadway Station Metropolitan District No. 1 (District No. 1) and Broadway Station Metropolitan District No. 2 (District No. 2 and together with the District and District No. 1, the Districts), for the purpose of providing certain public improvements and services to and for the benefit of the properties within the Districts. According to the Service Plan and the service plans for District No. 1 and District No. 2, District No. 1 is to coordinate the financing and construction of all activities of the District and District No. 2, including the provision of street, traffic and safety controls, water, storm water drainage, sanitation, and parks and recreation improvements and related services (collectively, the Public Improvements), and the District and District No. 2 are to fund such activities.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District 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, specific ownership taxes and operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation 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.

BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Budgets

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

Pooled Cash and Investments

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

Property Taxes

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

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

Capital Assets

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

BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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.

The District had no capital assets as of December 31, 2023.

Deferred Inflows of Resources

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

Amortization

Bond Premium

In the government-wide financial statements, the bond premium is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a liability.

Equity

Net Position

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

Fund Balance

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

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

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

**BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	\$ 26,146,522
Total Cash and Investments	\$ 26,146,522

Cash and investments as of December 31, 2023, consist of the following:

Investments	\$ 26,146,522
Total Cash and Investments	\$ 26,146,522

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.

**BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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

At December 31, 2023, the District did not have any cash deposits.

Investments

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

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

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

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

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

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 23,052,947
Government and Agency Bonds	Under 60 Days	3,093,575
		<u>\$ 26,146,522</u>

BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

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

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

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 Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

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 FitchRatings. 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.

Government and Agency Bonds

Government and Agency Bonds consist of U.S. Treasury Notes, Federal Farm Credit Bank Bonds, Federal Farm Home Loan Bank Bonds, and Federal National Mortgage Association Bonds. Such investments may not exceed 75% of the total par value of the District's portfolio. Maturities may be no more than seven years.

Corporate Bonds

The District may hold investments other than commercial paper, issued by domestic corporations ratings A1 or A+ no more than 10% of the total portfolio and maturity no longer than two years, and ratings AAA or AA no more than 30% of the total portfolio and maturity no longer than five years.

**BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
General Obligation Bonds:					
Series 2023	\$ -	\$ 16,842,000	\$ -	\$ 16,842,000	\$ -
Series 2019A	46,790,000	-	5,000	46,785,000	5,000
Series 2019B	51,401,907	3,855,789	-	55,257,696	-
Subtotal Bonds Payable	<u>98,191,907</u>	<u>20,697,789</u>	<u>5,000</u>	<u>118,884,696</u>	<u>5,000</u>
Accrued Interest on:					
Accrued Bond Interest - 2023	-	98,388	-	98,388	-
Subtotal Notes/Loans/Bonds from Direct Borrowings and Direct Placements	-	98,388	-	98,388	-
Bond Premium/Discount:					
Bond Premium	1,125,057	-	53,362	1,071,695	53,356
Bond Discount - Series 2023	-	(1,054,983)	4,884	(1,050,099)	-
Subtotal Bond Premium / Discount	<u>1,125,057</u>	<u>(1,054,983)</u>	<u>58,246</u>	<u>21,596</u>	<u>53,356</u>
Total Long-Term Obligations	<u>\$ 99,316,964</u>	<u>\$ 19,741,194</u>	<u>\$ 63,246</u>	<u>\$ 119,004,680</u>	<u>\$ 58,356</u>

**\$46,800,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds,
Series 2019A**

On November 21, 2019, the District issued \$46,800,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A (Series 2019A Bonds), for the purpose of paying or reimbursing Project Costs, paying the cost of issuance of the Bonds, and, funding a surplus fund and funding capitalized interest. The Series 2019A Bonds bear interest at the rate of 5.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2019 and mature on December 1, 2049. The Series 2019A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2021 and 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 June 1, 2024, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%. The Series 2019A Bonds are secured by all Property Tax Revenue, Specific Ownership Tax which is collected as a result of the Senior Required Mill Levy, and any other legally available moneys as determined by the District.

**BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$41,401,947 Subordinate (Convertible to Senior) Capital Appreciation (Convertible to Current Interest) Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019B

On November 21, 2019, the District issued Subordinate (Convertible to Senior) Capital Appreciation (Convertible to Current Interest) Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019B (Series 2019B Bonds and together with the Series 2019A Bonds, the Series 2019 Bonds), with a value at issuance of \$41,401,947 accruing at an interest rate of 7.5% to a principal value of \$73,795,000 on December 1, 2027. On December 1, 2027, the Series 2019B Bonds convert to current interest bonds. Interest accrues annually at the rate of 7.50% with the first payable on December 1, 2028 and annually thereafter through December 1, 2049. The Series 2019B Bonds will be secured by (i) a mill levy of up to 50 mills, to the extent such mills are not used for debt service on the Series 2019A Bonds and the Surplus Fund plus (ii) the portion of specific ownership taxes attributable to the property taxes used for the Series 2019B debt service.

Events of Default

Events of Default as defined in the Series 2019A Bond and the 2019B Bonds Indentures are 1) before the Unlimited Tax Receipt Date the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indentures, 2) on and after the Unlimited Tax Receipt Date, the District fails to pay the principal of or interest on the Bonds when due, 3) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indentures or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 4) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Failure to pay the principal of or interest on the Series 2019 Bonds when due shall not, of itself, constitute an Event of Default under the Indenture prior to the Unlimited Tax Receipt Date. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2019 Bonds is not an available remedy for an Event of Default.

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Series 2019A Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 5,000	\$ 2,339,250	\$ 2,344,250
2025	5,000	2,339,000	2,344,000
2026	5,000	2,338,750	2,343,750
2027	5,000	2,338,500	2,343,500
2028	335,000	2,338,250	2,673,250
2029-2033	2,990,000	11,363,750	14,353,750
2034-2038	6,410,000	10,297,500	16,707,500
2039-2043	10,945,000	8,270,750	19,215,750
2044-2048	17,430,000	4,926,750	22,356,750
2049	8,655,000	432,750	9,087,750
Total	<u>\$ 46,785,000</u>	<u>\$ 46,985,250</u>	<u>\$ 93,770,250</u>

**BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default (Continued)

<u>Year Ending December 31.</u>	Series 2019B Bonds			
	<u>Principal</u>	<u>Accretion</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 4,144,327	\$ -	\$ 4,144,327
2025	-	4,455,004	-	4,455,004
2026	-	9,937,973	-	9,937,973
2027	-	-	-	-
2028	-	-	5,534,625	5,534,625
2029-2033	2,285,000	-	27,480,750	29,765,750
2034-2038	8,915,000	-	25,720,125	34,635,125
2039-2043	18,815,000	-	21,022,125	39,837,125
2044-2048	34,540,000	-	11,805,000	46,345,000
2049	9,240,000	-	693,000	9,933,000
Total	<u>\$ 73,795,000</u>	<u>\$ 18,537,304</u>	<u>\$ 92,255,625</u>	<u>\$ 184,587,929</u>

Tax Increment Supported Revenue Bonds, Series 2023A (the Bonds)

The District issued the Bonds on December 7, 2023, in the par amount of \$16,842,000.

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

Proceeds of the Bonds

Proceeds from the sale of the Bonds were used to finance public improvements related to the Development, and pay the costs of issuance of the Bonds.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, on any date, upon payment of par plus accrued interest to the date of redemption without redemption premium.

Bond Details

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the Bonds is payable annually on each December 15, beginning on December 15, 2024, and mature on December 15, 2032.

The Bonds bear interest at the rate of 7.00%, payable annually on December 15, beginning on December 15, 2023, to the extent of available Pledged Revenue.

In the event principal of any Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or January 1, 2043 (the Termination Date). To the extent interest on any Bond is not paid when due, such interest shall compound annually on each interest payment date, at the rate then borne by the Bond.

**BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Bond Details (Continued)

All of the Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on the Termination Date regardless of the amount of principal and interest paid prior to the Termination Date.

Approximately \$5,000,000 of the net proceeds from the sale of the Bonds are deposited to the Unrestricted Account of the Project Fund, and net proceeds of \$10,000,000 are deposited to the Restricted Account of the Project Fund. All of the monies in the Restricted Account will be transferred to the Unrestricted Account upon receipt of a fully-executed Taxable Commercial Building Space Certificate.

Any moneys remaining in the Restricted Account on December 7, 2026 will be used to redeem bonds to the extent possible.

Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue, defined in the Indenture as the moneys received by the District from the Denver Urban Renewal Authority (the Authority or DURA) in repayment of the DURA Junior Subordinate Bonds.

The DURA Junior Subordinate Bonds are payable from the DURA Pledged Revenues, generally meaning all amounts payable to DURA as the Property Tax Increment and the Sales Tax Increment less any fees, including but not limited to Priority Fees, owing to the Authority, and less the DPS Payments (defined below) and the Urban Drainage and Flood Control District (UDFCD) Payments, if any.

Property Tax Increment

Property Tax Increment is generally defined as property taxes received by the City and all taxing jurisdictions within the Property Tax Increment Area, except the Broadway Station Districts, in excess of a base amount. The remaining overlapping taxing entities consist of Denver Public Schools, the City, and UDFCD.

Sales Tax Increment

Sales Tax Increment is defined as sales taxes imposed by the City within the Sales Tax Increment Area in excess of a base amount. The Sales Tax consists of taxes imposed on sales transactions in the amount of 3.50%, which is a portion of Denver's current sales tax on the retail sale of taxable goods and services.

DPS Payments

DPS Payments represent amounts retained by DURA to reimburse itself for the payment by DURA of the amount owed to School District No. 1 (DPS) pursuant to an intergovernmental agreement between Denver Public Schools and the Authority.

**BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

DPS Payments (Continued)

The DPS/Authority IGA states that DPS determined that funds in the amount of \$3,000,000 were required from the Authority to address the impact of the Development on the demand for and needs of DPS schools. Such funds were initially payable from the Property Tax Revenues and Sales Tax Revenues to DPS; however, the DPS/Authority IGA states that in the event the funds had not been paid to DPS from such revenues by December 31, 2019, the Authority would be required to pay the full amount to DPS. The Authority made this payment on or about December 20, 2019. Pursuant to the Supplemented Redevelopment Agreement, DPS Payments constitute the reimbursement to the Authority of this payment. Beginning in 2020, the Authority began reimbursing itself from available Property Tax Revenues for DPS Payments.

Events of Default of the Bonds

Events of default occur if the District fails to apply the Pledged Revenues as required by the Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Acceleration of the Bonds shall not be an available remedy for an Event of Default.

Debt Authorization

A majority of the qualified electors of the District authorized the issuance of indebtedness in the amount not to exceed \$4,500,000,000. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$378,000,000. As of December 31, 2023, the District had \$276,625,718 remaining authority under the Service Plan. However, the District, District No. 1, and District No. 2's debt combined cannot exceed \$378,000,000.

NOTE 5 NET POSITION

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

Restricted net position includes 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, 2023 as follows:

	Governmental Activities
Restricted Net Position:	
Debt Service Reserve	\$ 1,191,645
Total Restricted Net Position	\$ 1,191,645

The District has a deficit in unrestricted net position. The deficit at December 31, 2023 was primarily due to interest paid and related costs on long-term debts and transfers to District No. 1.

BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 AGREEMENTS

Reimbursement Agreement for Public Infrastructure Funding

The District, District No. 1, District No. 2 and Broadway Station Partners, LLC (the Developer), entered into the Reimbursement Agreement for Public Infrastructure Funding (the Reimbursement Agreement), dated as of October 1, 2017 (executed January 5, 2018), concerning the advance of funds to any of the Districts by the Developer for planning, design, engineering, surveying, legal, accounting, testing, permitting, inspecting, infrastructure development management, construction management, construction, installation and completion of the infrastructure and all related expenses, including, without limitation, environmental remediation authorized under the Service Plan, the City IGA, the Urban Redevelopment Plan, the Redevelopment Agreement (as defined below) and the District Agreements. Pursuant to the Reimbursement Agreement, the Developer is to make Developer Advances to District No. 1, or at the request of District No. 1, to the District or District No. 2, in such amounts and at such times as may be requested to fund planning, design, engineering, surveying, legal, accounting, testing, permitting, inspecting, infrastructure development management, construction management, construction, installation and completion of the infrastructure and all related expenses, including, without limitation, environmental remediation authorized under the Service Plan, the City IGA, the Urban Redevelopment Plan, the Redevelopment Agreement and the District IGAs. The Developer's obligation to fund such advance is dependent on (i) District No. 1's initiating, with the agreement of the Developer, of a phase of the Processing of Construction of Infrastructure (as such terms are used in the Reimbursement Agreement) by submitting a report to the City in accordance with the City IGA; and (ii) the authorizing of such Process of Construction Costs (as such term is used in the Reimbursement Agreement) in accordance with the Service Plan, the District Agreements, the City IGA and other applicable documents.

The Districts' obligation to reimburse the Developer for Developer Advances shall be memorialized by the issuance of one or more notes by District No. 1 or if directed by District No. 1, the District or District No. 2, within 15 days of the Developer Advance. Each note shall bear interest at a rate of 8%, unless otherwise specified in such note. The district issuing the note shall reimburse the Developer, from funds legally available to such issuing district in any fiscal year that are not pledged for the payment of other district obligations or otherwise appropriated or obligated for any current or future purpose. The Reimbursement Agreement shall terminate on December 31, 2042, unless terminated earlier in accordance with the Redevelopment Agreement or the repayment of all amounts due and owing under the Reimbursement Agreement. The District's obligation to repay the Developer Advances (and any interest thereon) under the Redevelopment Agreement is subordinate to any District bonds.

BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 AGREEMENTS (CONTINUED)

Reimbursement Agreement for Public Infrastructure Funding (Continued)

The District's obligation to reimburse the Developer Advances is payable from, among other sources, amounts owed to the Districts under the Redevelopment Agreement between District No. 1 and the Denver Urban Renewal Authority (DURA) dated as of October 18, 2017, as amended by a First Supplement dated as of March 12, 2020 (together as amended, the Redevelopment Agreement). Under the Redevelopment Agreement, DURA has, as directed by District No. 1, issued to District No. 2 three Junior Subordinate Bonds, namely, the Series 2020JS-1 Bond, Series 2020JS-99 Bond and Series 2020JS-100 Bond (collectively, the DURA Junior Subordinate Bonds) in the aggregate principal amount of \$25,890,555 (the DURA Reimbursement Amount), together with interest accruing thereon commencing on November 4, 2019, in order to reimburse from tax increment revenue (the DURA Revenue) certain Reimbursable Project Costs (as defined in the Redevelopment Agreement) that were funded directly by the Developer and are reimbursable by the Districts.

In conjunction with the issuance of the First Supplement to the Redevelopment Agreement, the Districts and the Developer entered into Amendment No. 1 to the Reimbursement Agreement dated as of November 4, 2019 (Amendment No. 1) and Amendment No. 2 to the Reimbursement Agreement dated as of June 24, 2020 (Amendment No. 2). Amendment No. 2 amended, restated and replaced Amendment No. 1, and by its terms, Amendment No. 2 constitutes a Junior District Obligation (as defined in the Redevelopment Agreement) in the aggregate principal amount of \$25,890,555 (the DURA Reimbursement Amount as defined in the Redevelopment Agreement) to reimburse certain Developer Advances made to fund District-eligible Reimbursable Project Costs. The Junior District Obligation under Amendment No. 2 (the Amendment No. 2 JDO) was established in conjunction with the DURA Junior Subordinate Bonds and was generally structured in two parts: (i) District No. 3 would make a cash payment in the amount of \$8,000,000 from District No. 3's Series 2019B Bond funds to the Developer to pay a portion of the outstanding Developer Advances incurred for District eligible Reimbursable Project Costs, and (ii) the balance of the Amendment No. 2 JDO incurred for Reimbursable Project Costs that did not constitute District-eligible Reimbursable Project Costs (the Non-District-Eligible Reimbursable Project Costs) in the approximate principal amount of \$5,621,582, along with interest accruals, would be paid and passed through to the Developer from DURA Revenue paid on the DURA Junior Subordinate Bonds.

The Districts and the Developer entered into Amendment No. 3 to the Reimbursement Agreement dated as of November 4, 2019 (Amendment No. 3) to provide for (i) in addition to the cash payment of \$8,000,000 previously made to the Developer in accordance with the terms of Amendment No. 2, an additional cash payment of \$14,222,888 (the Additional Cash Payment) to the Developer to pay off and discharge in full the remaining outstanding Developer Advances, including interest accruals, that constitute District-eligible Reimbursable Project Costs using District No. 3's Series 2019 Bond funds, and (ii) as provided in the Amendment No. 2 JDO, the payment and discharge of the Non-District-eligible Reimbursable Project Costs (i.e., the balance of the Amendment No. 3 JDO with respect to the Pass Through Junior District Obligation (as defined below)) to the Developer exclusively from DURA Revenue payments to be made on the DURA Junior Subordinate Bonds.

**BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 AGREEMENTS (CONTINUED)

Reimbursement Agreement for Public Infrastructure Funding (Continued)

Amendment No. 3 constitutes the Junior District Obligation (the Amendment No. 3 JDO) issued in conjunction with the DURA Junior Subordinate Bonds as authorized by and issued in accordance with and subject to the terms of the Redevelopment Agreement and the First Supplement. The principal amount of the Amendment No. 3 JDO is \$25,890,555. Under Amendment No. 3, District No. 3 processed a requisition in the amount of the Additional Cash Payment with the Trustee for the Series 2019B Bonds to pay the Developer for and discharge in full all outstanding Developer Advances that constitute solely District-eligible Reimbursable Project Costs. The Districts and Developer also acknowledged and agreed that the principal amount of \$5,621,582 of the Amendment No. 3 JDO represents Reimbursable Project Costs that are not District-eligible Reimbursable Project Costs (the Pass-Through Junior District Obligation and also referred to herein as the Non-District-eligible Reimbursable Project Costs). Except for the payment of the Pass-Through Junior District Obligation with respect to the Non-District-eligible Reimbursable Project Costs, the Districts and Developer agreed that all other payments made to the District on the DURA Junior Subordinate Bonds were to be transferred to District No. 3 for its use in accordance with District No. 3's Series 2019 Bond Indenture. The principal amount of the Pass-Through Junior District Obligation, together with any interest accruals thereon, are payable exclusively from the DURA Revenue received by District No. 2 from DURA payments on the DURA Junior Subordinate Bonds, including any interest thereon paid by DURA pursuant to the First Supplement, and shall not be payable from any ad valorem taxes, bond proceeds or other funds of any of the Districts (see Junior Subordinate Bonds note below).

On February 10, 2021, Amendment No. 4 to Reimbursement Agreement for Public Infrastructure Funding Agreement was entered into by and between Broadway Station Metropolitan District No. 1 (District No. 1), Broadway Station Metropolitan District No. 2 (District No. 2) and Broadway Station Metropolitan District No. 3 ("District No. 3" and together with District No. 1 and District No. 2, the "Districts" or either of the Districts separately, a "District"), each District a quasi-municipal corporation and political subdivision of the State of Colorado (the State) operating within the City and County of Denver (the City), and Broadway Station Partners, LLC (the Company), a Colorado limited liability company (the Districts and the Company collectively, the "Parties" or either of the Parties separately, a "Party"). The Parties agree to amend the Reimbursement Agreement as follows. Developer Advances for Process of Construction Costs for Entitlement Services relating to Filing 3 Public Infrastructure and Filing 4 Public Infrastructure. The Parties agree that the beneficial value of and reimbursable amount for all Services actually performed by and paid to BAM by the Company relating to the Entitlements for the Filing 3 Public Infrastructure and the Filing 4 Public Infrastructure, for which the Districts have any reimbursement obligation under the Reimbursement Agreement, shall total no more than \$960,000 (the Entitlement Advance) and that no other compensation or reimbursement for such Services shall be requested from, charged to or payable by the Districts with respect thereto, without condition or limitation.

BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 AGREEMENTS (CONTINUED)

Amended and Restated Inter-District Financing Agreement

The Districts entered into an Amended and Restated Inter-District Financing Agreement, dated as of October 1, 2017 (the Financing Agreement). The purpose of the Financing Agreement is to establish a cooperative intergovernmental relationship among the Districts, to implement the terms of each of the Districts' Service Plans with respect to the financing and completion of public infrastructure improvements acquired, constructed, installed and completed to serve the Development and to establish various controls with respect to the incurrence of obligations of the Districts including bonds, notes and other obligations of the Districts and on the implementation of the debt service and regional mill levies.

In accordance with the Financing Agreement, District No. 1 is to exercise all duties, authorities and powers as are generally provided in the Special District Act or other state law and as more particularly described in the Governing Documents (as defined below) to facilitate, coordinate and effectuate the financing of Eligible Costs (as such term is used in the Financing Agreement), the completion of public infrastructure improvements acquired, constructed, installed and completed to serve the Development and the imposition of the debt service mill levy and the regional mill levy.

District No. 2 and the District agreed in the Financing Agreement to pay the principal and interest on any bonds or other obligations of the District or District No. 2 or District No. 1, as applicable, from amounts pledged and available to the applicable district to a bond trustee under a bond indenture including the Indentures and the Trustee. Such pledge is solely to the extent of revenues pledged to the particular bonds. In no event shall a District's obligation to pay exceed the maximum amounts authorized at the Elections to the Special District Act or State law. The Financing Agreement sets forth the procedures to be followed by the Districts for the imposition of their debt service mill levies and the regional mill levy. In accordance with the Financing Agreement, District No. 2 and the District shall certify their respective debt service mill levies, and their respective regional mill levies at the rates determined by District No. 1. All revenues received from the debt service mill levy shall be paid to the bond trustee or if no trustee, to District No. 1.

Amended and Restated Inter-District Construction and Service Agreement

The Districts entered into an Amended and Restated Inter-District Construction and Service Agreement, dated as of October 1, 2017 (the Service Agreement and, together with the Financing Agreement, the District Agreements). The purpose of the Service Agreement is to establish a cooperative intergovernmental relationship among the Districts, to implement the terms of each of the Districts' Service Plans with respect to the financing and completion of public infrastructure improvements acquired, constructed, installed and completed to serve the Development and to establish various requirements with respect to the generation, collection and use of revenue, including but not limited to the operating mill levy, to be used for the operation, maintenance and repair of public infrastructure improvements acquired, constructed, installed and completed to serve the Development and the management, administration and provision of services within the Development.

**BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 AGREEMENTS (CONTINUED)

Junior Subordinate Bonds

On March 12, 2020 DURA entered into the First Supplement to Redevelopment Agreement (the First Supplement) with District No. 1 and, at the direction of District No. 1, issued to District No. 2 three Junior Subordinate Bonds, namely the Series 2020JS-1 Bond, Series 2020JS- 99 Bond and Series 2020JS-100 Bond (collectively, the DURA Junior Subordinate Bonds) in the aggregate principal amount of \$25,890,555 (the DURA Reimbursement Amount), together with interest accruing thereon commencing on November 4, 2019, in order to reimburse from DURA Revenue (as defined in the Authorizing Resolution) certain Reimbursable Project Costs (as defined in the Redevelopment Agreement) that were funded directly by the Developer. The Districts have reimbursed the Developer for all but the approximate principal amount of \$5,621,582 of such Reimbursable Project Costs and interest accruals thereon. On May 31, 2023, DURA entered into the Second Supplement to Redevelopment Agreement with District No. 1, at the direction of District No. 1, issued Series 2023 JS-2 Bond (the “DURA” Series 2023 Junior Subordinate Bond” and together with the DURA Series 202 Junior Subordinate Bonds, the Dura Junior Subordinate Bonds) in the principal amount of \$9,774,267.00. DURA also approved an increase of \$746,258.00 in the principal amount of the Series 2020 JS-99 Bond.

Upon receipt of the DURA Reimbursement Amount, the Districts will apply such DURA Revenue either (i) to pay and discharge all remaining obligations to the Developer for Reimbursable Project Costs (see the Pass Through Junior District Obligation in the Reimbursement Agreement for Public Infrastructure note above) and/or (ii) to replenish District No. 3’s Series 2019B Bond project accounts established to complete public infrastructure work in accordance with the Intergovernmental Agreement between District No. 1 and the City and drawn on to reimburse the Developer for certain District-Eligible Reimbursable Project Costs and/or to fund such public infrastructure work directly and/or pay down any existing debt.

District Cooperation Agreement

The Districts and Denver Urban Renewal Authority (DURA) entered into the Broadway Station Metropolitan District Intergovernmental Agreement, dated as of September 20, 2017 (the District Cooperation Agreement) pursuant to which DURA has agreed to remit during the TIF Period to District No. 1 all revenues generated from the imposition of ad valorem property taxes by the Districts on the incremental assessed valuation of property in the Districts, including property tax revenue resulting from the imposition of the Senior Required Debt Mill Levy and 2019B Required Mill Levy.

Capital Pledge Agreements

On December 4, 2019, the District entered into a Capital Pledge Agreement with District No. 1 whereby District No. 1 agreed to pledge the Property Tax Increment Revenue generated by the debt service mill levies imposed by the District and the specific ownership tax revenues derived from the debt service mill levies imposed by the District to the District to facilitate the repayment of the Series 2019A Bonds and the Series 2019B Bonds.

BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 RELATED PARTIES

Some of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board of Directors.

NOTE 8 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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 May 2, 2006, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

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.

BROADWAY STATION METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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

SUPPLEMENTARY INFORMATION

**BROADWAY STATION METRO DISTRICT NO. 3
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 121,432	\$ 95,134	\$ (26,298)
Specific Ownership Taxes	6,072	7,893	1,821
Regional Property Taxes	2,429	2,718	289
Regional Specific Ownership Taxes	121	225	104
Interest Income	2,000	207,205	205,205
District Cooperation Agreement Revenue	126,805	107,184	(19,621)
District Cooperation Agreement Revenue - Regional	2,536	2,144	(392)
Total Revenues	<u>261,395</u>	<u>422,503</u>	<u>161,108</u>
EXPENDITURES			
County Treasurer's Fee	1,215	1,134	81
County Treasurer'S Fee - Regional	-	32	(32)
Paying Agent Fees	10,000	7,000	3,000
Bond Interest	2,339,500	2,339,500	-
Bond Principal	5,000	5,000	-
Transfers To District No. 1 -Regional Mill Levy	4,965	5,054	(89)
Contingency	100,000	-	100,000
Total Expenditures	<u>2,460,680</u>	<u>2,357,720</u>	<u>102,960</u>
NET CHANGE IN FUND BALANCE	(2,199,285)	(1,935,217)	264,068
Fund Balance - Beginning of Year	<u>5,051,655</u>	<u>5,043,674</u>	<u>(7,981)</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,852,370</u>	<u>\$ 3,108,457</u>	<u>\$ 256,087</u>

**BROADWAY STATION METRO DISTRICT NO. 3
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	<u>Budget Original & Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Interest Income	\$ 884,728	\$ 884,729	\$ 1
Other Revenue	867,831	-	(867,831)
Total Revenues	<u>1,752,559</u>	<u>884,729</u>	<u>(867,830)</u>
EXPENDITURES			
Bond Discount	-	1,054,983	(1,054,983)
Bond Issue Costs	-	787,017	(787,017)
Transfers To District No. 1	21,212,038	15,399,716	5,812,322
Contingency	1,847,559	-	1,847,559
Total Expenditures	<u>23,059,597</u>	<u>17,241,716</u>	<u>5,817,881</u>
OTHER FINANCING SOURCES			
Bond Issuance Proceeds	-	16,842,000	16,842,000
Total Other Financing Sources	<u>-</u>	<u>16,842,000</u>	<u>16,842,000</u>
NET CHANGE IN FUND BALANCE	(21,307,038)	485,013	21,792,051
Fund Balance - Beginning of Year	<u>21,307,038</u>	<u>20,693,685</u>	<u>(613,353)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 21,178,698</u>	<u>\$ 21,178,698</u>

**BROADWAY STATION METRO DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
			\$46,800,000
			General Obligation Bonds
			Limited Tax Convertible to Unlimited Tax
			Series 2019A
			Issue Date November 21, 2019
			Interest Rate of 5.00%
			Due June 1 and December 1
2024	\$ 5,000	\$ 2,339,250	\$ 2,344,250
2025	5,000	2,339,000	2,344,000
2026	5,000	2,338,750	2,343,750
2027	5,000	2,338,500	2,343,500
2028	335,000	2,338,250	2,673,250
2029	355,000	2,321,500	2,676,500
2030	530,000	2,303,750	2,833,750
2031	555,000	2,277,250	2,832,250
2032	755,000	2,249,500	3,004,500
2033	795,000	2,211,750	3,006,750
2034	1,015,000	2,172,000	3,187,000
2035	1,065,000	2,121,250	3,186,250
2036	1,310,000	2,068,000	3,378,000
2037	1,375,000	2,002,500	3,377,500
2038	1,645,000	1,933,750	3,578,750
2039	1,730,000	1,851,500	3,581,500
2040	2,030,000	1,765,000	3,795,000
2041	2,130,000	1,663,500	3,793,500
2042	2,465,000	1,557,000	4,022,000
2043	2,590,000	1,433,750	4,023,750
2044	2,960,000	1,304,250	4,264,250
2045	3,105,000	1,156,250	4,261,250
2046	3,520,000	1,001,000	4,521,000
2047	3,695,000	825,000	4,520,000
2048	4,150,000	640,250	4,790,250
2049	8,655,000	432,750	9,087,750
Total	\$ 46,785,000	\$ 46,985,250	\$ 93,770,250

**BROADWAY STATION METRO DISTRICT NO. 3
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Special Abatement	Levied	Collected	
2019	\$ 47,186	5.000	-	1.000	\$ 283	\$ 22,444	7927.49 %
2020	2,693,130	10.000	35.000	1.000	123,884	123,712	99.86 %
2021	2,691,100	10.000	35.000	1.000	123,791	123,791	100.00 %
2022	2,563,482	10.000	35.000	1.000	117,920	117,938	100.02 %
2023	2,428,638	10.000	50.000	1.000	148,147	125,033	84.40 %
Estimated for Year Ending December 31, 2024	\$ 8,104,783	10.394	51.971	5.197	\$ 547,576		

Note:

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

Revenues collected from DURA under the District Cooperation Agreement are not included above.

Source: Denver County Assessor and Treasurer.

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION

BROADWAY STATION METRO DISTRICT NO. 3
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED - TIF
DECEMBER 31, 2023
(UNAUDITED)

Year Ended December 31,	Assessed Valuation	Total Mills Levied			Total Tax Increment Financing Revenue		Percent Collected to Levied
		General Operations	Debt Service	Special Abatement	Levied	Collected	
2019	\$ 7,004	5.000	0.000	1.000	\$ 42	\$ 42	99.94 %
2020	2,710,750	10.000	35.000	1.000	124,695	124,521	99.86 %
2021	2,707,220	10.000	35.000	1.000	124,532	124,532	100.00 %
2022	2,579,668	10.000	35.000	1.000	118,665	117,459	98.98 %
2023	2,536,092	10.000	50.000	1.000	154,702	130,765	84.53 %
Estimated for Year Ending December 31, 2024	\$ 8,643,267	10.394	51.971	5.197	\$ 583,956		

Note:

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

Source: Denver County Assessor and Treasurer.