

**LINCOLN STATION METROPOLITAN
DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**LINCOLN STATION METROPOLITAN DISTRICT
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Board of Directors
Lincoln Station Metropolitan District
Douglas County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lincoln Station Metropolitan District (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 Lincoln Station Metropolitan District 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 of America 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.

Other Information

Management is responsible for the other information included in our report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, 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
Denver, Colorado

July 22, 2024

BASIC FINANCIAL STATEMENTS

**LINCOLN STATION METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 598,845
Cash and Investments - Restricted	7,104,913
Accounts Receivable - RTD	71,154
Accounts Receivable - Camden	47,157
Receivable from County Treasurer	13,594
Property Tax Receivable	1,327,623
Capital Assets:	
Capital Assets Net of Depreciation	2,072,188
Total Assets	11,235,474
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding, Net	150,881
Total Deferred Outflows of Resources	150,881
LIABILITIES	
Accounts Payable	95,933
Accrued Interest	105,652
Noncurrent Liabilities:	
Due Within One Year	7,021,000
Due in More Than One Year	11,299,000
Total Liabilities	18,521,585
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	1,327,623
Total Deferred Inflows of Resources	1,327,623
NET POSITION	
Net Investment in Capital Assets	(4,948,812)
Restricted for:	
Emergency Reserve	19,200
Debt Service	6,947,603
Capital Projects	43,887
Unrestricted	(10,524,731)
Total Net Position	\$ (8,462,853)

See accompanying Notes to Basic Financial Statements.

**LINCOLN STATION METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 982,523	\$ -	\$ 253,280	\$ -	\$ (729,243)
Interest on Long-Term Debt and Related Costs	1,136,995	-	-	-	(1,136,995)
Total Governmental Activities	\$ 2,119,518	\$ -	\$ 253,280	\$ -	(1,866,238)
GENERAL REVENUES					
Property Taxes					1,657,872
Specific Ownership Taxes					170,311
Tax Revenue - LID					38,045
Interest Income					165,330
Total General Revenues					2,031,558
CHANGES IN NET POSITION					165,320
Net Position - Beginning of Year					(8,628,173)
NET POSITION - END OF YEAR					\$ (8,462,853)

See accompanying Notes to Basic Financial Statements.

**LINCOLN STATION METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 598,845	\$ -	\$ -	\$ 598,845
Cash and Investments - Restricted	19,200	7,044,405	41,308	7,104,913
Receivable from County Treasurer	2,166	8,849	2,579	13,594
Accounts Receivable - RTD	71,154	-	-	71,154
Accounts Receivable - Camden	47,157	-	-	47,157
Property Tax Receivable	412,731	914,892	-	1,327,623
	<u>\$ 1,151,253</u>	<u>\$ 7,968,146</u>	<u>\$ 43,887</u>	<u>\$ 9,163,286</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 95,933	\$ -	\$ -	\$ 95,933
Total Liabilities	95,933	-	-	95,933
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	412,731	914,892	-	1,327,623
Total Deferred Inflows of Resources	412,731	914,892	-	1,327,623
FUND BALANCES				
Restricted for:				
Emergency Reserves	19,200	-	-	19,200
Debt Service	-	7,053,254	-	7,053,254
Capital Projects	-	-	43,887	43,887
Unassigned	623,389	-	-	623,389
Total Fund Balances	<u>642,589</u>	<u>7,053,254</u>	<u>43,887</u>	<u>7,739,730</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,151,253</u>	<u>\$ 7,968,146</u>	<u>\$ 43,887</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 in the funds.				2,072,188
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.				
Cost of Refunding, Net				150,881
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Accrued Interest				(105,652)
Bonds Payable				(6,845,000)
Loans Payable				(11,475,000)
Net Position of Governmental Activities				<u>\$ (8,462,853)</u>

See accompanying Notes to Basic Financial Statements.

**LINCOLN STATION METROPOLITAN DISTRICT
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	\$ 322,846	\$ 1,335,026	\$ -	\$ 1,657,872
Specific Ownership Taxes	33,489	136,822	-	170,311
Tax Revenue - LID	-	-	38,045	38,045
Interest Income	30,569	133,709	1,052	165,330
RTD Maintenance Contribution	166,123	-	-	166,123
Camden Fee	47,157	-	-	47,157
Property Owners Reimbursement	40,000	-	-	40,000
Total Revenues	<u>640,184</u>	<u>1,605,557</u>	<u>39,097</u>	<u>2,284,838</u>
EXPENDITURES				
Current:				
Accounting	50,091	-	-	50,091
Auditing	5,100	-	-	5,100
County Treasurer's Fee	4,839	20,013	-	24,852
District Management	79,491	-	-	79,491
Dues And Membership	843	-	-	843
Election	3,050	-	-	3,050
Holiday Decorations	11,005	-	-	11,005
Insurance	12,941	-	-	12,941
Landscape Maintenance And Repairs	14,501	-	-	14,501
Legal	28,141	-	-	28,141
Maintenance And Repairs	99,160	-	-	99,160
Parking License Fee	40,000	-	-	40,000
Security	64,694	-	-	64,694
Snow Removal	148,156	-	-	148,156
Tree Care	3,345	-	-	3,345
Utilities	30,350	-	-	30,350
Debt Service:				
Bond Interest - Series 2006	-	201,175	-	201,175
Bond Interest - Series 2014A	-	331,100	-	331,100
Bond Interest - Series 2014B	-	170,450	-	170,450
Bond Principal- Series 2014A	-	210,000	-	210,000
Bond Principal- Series 2014B	-	110,000	-	110,000
Cost of Issuance	-	380,100	-	380,100
Paying Agent Fees	-	3,830	-	3,830
Refunding Escrow	-	6,340,881	-	6,340,881
Total Expenditures	<u>595,707</u>	<u>7,767,549</u>	<u>-</u>	<u>8,363,256</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	44,477	(6,161,992)	39,097	(6,078,418)
OTHER FINANCING SOURCES (USES)				
Loan Issuance Proceeds	-	11,475,000	-	11,475,000
Total Other Financing Sources	<u>-</u>	<u>11,475,000</u>	<u>-</u>	<u>11,475,000</u>
NET CHANGE IN FUND BALANCES	44,477	5,313,008	39,097	5,396,582
Fund Balances - Beginning of Year	<u>598,112</u>	<u>1,740,246</u>	<u>4,790</u>	<u>2,343,148</u>
FUND BALANCES - END OF YEAR	<u>\$ 642,589</u>	<u>\$ 7,053,254</u>	<u>\$ 43,887</u>	<u>\$ 7,739,730</u>

See accompanying Notes to Basic Financial Statements.

**LINCOLN STATION METROPOLITAN DISTRICT
 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 \$ 5,396,582

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, depreciation and dedication of capital assets to other governments, in the current period.

Depreciation Expense (386,816)

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.

Loan Issuance (11,475,000)
 Bond Principal 320,000
 Payment to Refunding Escrow 6,340,881

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 Payable - Change in Liability (30,327)

Changes in Net Position of Governmental Activities \$ 165,320

**LINCOLN STATION METROPOLITAN DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2023**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 361,131	\$ 322,846	\$ (38,285)
Specific Ownership Taxes	32,502	33,489	987
Interest Income	23,000	30,569	7,569
RTD Maintenance Contribution	240,549	166,123	(74,426)
Camden Fee	56,319	47,157	(9,162)
Property Owners Reimbursement	40,000	40,000	-
Total Revenues	<u>753,501</u>	<u>640,184</u>	<u>(113,317)</u>
EXPENDITURES			
Accounting	53,150	50,091	3,059
Auditing	5,100	5,100	-
County Treasurer's Fee	5,417	4,839	578
District Management	72,750	79,491	(6,741)
Dues And Membership	800	843	(43)
Election	5,000	3,050	1,950
Holiday Decorations	17,250	11,005	6,245
Insurance	13,000	12,941	59
Landscape Maintenance And Repairs	55,000	14,501	40,499
Legal	35,000	28,141	6,859
Maintenance And Repairs	135,000	99,160	35,840
Miscellaneous	1,533	-	1,533
Parking License Fee	40,000	40,000	-
Security	125,000	64,694	60,306
Snow Removal	190,000	148,156	41,844
Tree Care	25,000	3,345	21,655
Utilities	35,000	30,350	4,650
Total Expenditures	<u>814,000</u>	<u>595,707</u>	<u>218,293</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(60,499)	44,477	104,976
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	43,257	-	(43,257)
Total Other Financing Sources (Uses)	<u>43,257</u>	<u>-</u>	<u>(43,257)</u>
NET CHANGE IN FUND BALANCE	(17,242)	44,477	61,719
Fund Balance - Beginning of Year	<u>599,688</u>	<u>598,112</u>	<u>(1,576)</u>
FUND BALANCE - END OF YEAR	<u>\$ 582,446</u>	<u>\$ 642,589</u>	<u>\$ 60,143</u>

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

Lincoln Station Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, located entirely in Douglas County, Colorado, was organized on January 30, 2003, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide construction and financing for streets, safety control, water systems, sewer systems, drainage systems, mosquito control, transportation, television relay and translator, and park and recreation facilities.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

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.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and RTD maintenance contribution. 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.

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.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets (Continued)

The District has amended its annual budget for the year ended December 31, 2023.

Pooled Cash and Investments

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

Property Taxes

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

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

Capital Assets

Capital assets, which include infrastructure assets (e.g., roads, parks and recreation improvements, water supply system, and storm and sewer improvements), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Water Supply System	46 Years
Sanitary Sewer and Storm Drainage	46 Years
Streets	20 Years
Parks and Recreation	20 Years

Deferred Cost of Refunding

In the government-wide financial statements, the deferred cost of refunding is being amortized using the interest method over the life of the new loans. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

Deferred Inflows of Resources

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

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purpose 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	\$ 598,845
Cash and Investments - Restricted	7,104,913
Total Cash and Investments	<u><u>\$ 7,703,758</u></u>

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	\$ 11,015
Investments	<u>7,692,743</u>
Total Cash and Investments	<u><u>\$ 7,703,758</u></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, 2023, the District's cash deposits had a bank balance and carrying balance of \$11,015.

Investments

The District's formal investment policy is to follow state statutes regarding investments.

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

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

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

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- . 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 Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 7,677,658
First American Funds - U.S. Treasury Obligations - Money Marked - Class D	Weighted-Average Under 60 Days	15,085
		<u>\$ 7,692,743</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, and any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

First American Funds - U.S. Treasury Obligations - Money Market - Class D

The trust accounts at U.S. Bank were invested in the First American Treasury Obligations Fund (Class D). This portfolio is a money market fund that is managed by First American Funds and each share is equal in value to \$1.00. The Fund is rated AAAM by Standard & Poor's and Aaa-mf by Moody's. The Fund invests in high quality short-term debt obligations, including repurchase agreements and U.S. Treasury securities. The average maturity of the underlying securities is less than 60 days.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Being Depreciated:				
Parks and Recreation	\$ 36,532	\$ -	\$ -	\$ 36,532
Streets	7,465,319	-	-	7,465,319
Sanitary Sewer	186,452	-	-	186,452
Water Supply	352,814	-	-	352,814
Total Capital Assets, Being Depreciated	8,041,117	-	-	8,041,117
Less Accumulated Depreciation for:				
Accumulated Depreciation - Parks and Rec	26,295	(1,827)	-	28,122
Accumulated Depreciation - Streets	5,410,470	(373,266)	-	5,783,736
Accumulated Depreciation - Sanitary Sewer	58,774	(4,053)	-	62,827
Accumulated Depreciation - Water Supply	86,574	(7,670)	-	94,244
Total Accumulated Depreciation	5,582,113	(386,816)	-	5,968,929
Total Capital Assets, Being Depreciated, Net	2,459,004	386,816	-	2,072,188
Governmental Activities Capital Assets, Net	\$ 2,459,004	\$ 386,816	\$ -	\$ 2,072,188

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 CAPITAL ASSET (CONTINUED)

The District will own and maintain Station Street and Tract D, along with a corresponding plaza, sidewalks, landscaping, site furniture, and underground vault for storm water detention and water reclamation.

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

General Government	\$ 386,816
Total Depreciation Expense - Governmental Activities	\$ 386,816

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
General Obligation Limited Tax Bonds					
Series 2006	\$ 6,190,000	\$ -	\$ 6,190,000	\$ -	\$ -
Series 2014A	4,730,000	-	210,000	4,520,000	4,520,000
Series 2014B	2,435,000	-	110,000	2,325,000	2,325,000
Subtotal Bonds Payable	13,355,000	-	6,510,000	6,845,000	6,845,000
Notes/Loans/Bonds from Direct Borrowings and Direct Placements					
Tax Exempt Senior Limited G.O. Refunding Loan, Series 2023A-1	-	4,923,000	-	4,923,000	101,000
Tax Convertible to Tax Exempt Senior Limited G.O. Refunding Loan, Series 2023A-2	-	6,552,000	-	6,552,000	75,000
Subtotal Notes/Loans/Bonds from Direct Borrowings and Direct Placements	-	11,475,000	-	11,475,000	176,000
 Total Long-Term Obligations	 \$ 13,355,000	\$ 11,475,000	\$ 6,510,000	\$ 18,320,000	\$ 7,021,000

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

General Obligation Bonds

\$7,660,000 Senior General Obligation Limited Tax Bonds, Series 2006, dated December 18, 2006, with interest of 6.50%. Interest is payable semiannually on June 1 and December 1. The bonds are term bonds due December 1, 2036, with mandatory sinking fund redemptions beginning December 1, 2011, and on every December 1 thereafter. All of the bonds are subject to redemption prior to maturity at the option of the District on December 1, 2016, and on any date thereafter without call premium.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued)

The Series 2006 Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, specific ownership taxes, capital fees, if any, and any other legally available monies of the District credited to the Bond Fund. The Required Mill Levy (for debt service) is defined in the Bond Resolution as a mill levy imposed upon all taxable property in the District each year, beginning in 2008, in an amount sufficient to pay the principal of and interest on the Series 2006 Bonds, but not in excess of 50.000 mills.

The Series 2006 Bonds were refunded with the issuance of the Series 2023A-1 Refunding Term Loan.

General Obligation Limited Tax Refunding Bonds Series 2014A, dated March 24, 2014, in the aggregate principal amount of \$5,985,000. Interest is 7.0%, payable semiannually on June 1 and December 1, commencing in 2014. Unpaid interest shall compound annually on each interest payment date. The bonds mature on December 1, 2036 and are term bonds with mandatory sinking fund redemptions beginning December 1, 2014, and every December 1 thereafter. In addition, bonds are callable prior to maturity, at the option of the District, on December 1, 2024, and on any date thereafter without call premium.

General Obligation Limited Tax Refunding Bonds Series 2014B, dated March 24, 2014, in the aggregate principal amount of \$3,080,000. Interest is 7.0%, payable semiannually on June 1 and December 1, commencing in 2014. Unpaid interest shall compound annually on each interest payment date. The bonds mature on December 1, 2036 and are term bonds with mandatory sinking fund redemptions beginning December 1, 2014, and every December 1 thereafter. In addition, bonds are callable prior to maturity, at the option of the District, on December 1, 2024, and on any date thereafter without call premium.

Proceeds of the Series 2014A and 2014B Bonds were used to pay and cancel all of the District's outstanding Subordinate General Obligation Convertible Capital Appreciation Bonds, Series 2007A and Subordinate General Obligation Bonds, Series 2007B, as well as to repay the Developer outstanding principal and interest and to pay the costs of issuing the 2014A and 2014B Bonds.

The Series 2014A and 2014B Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Subordinate Mill Levy net of the cost of collection, the portion of specific ownership taxes allocable to the amount of the Required Subordinate Mill Levy, and any other legally available monies of the District credited to the 2014 Bond Fund.

The Series 2014A and 2014B Bonds were refunded with the issuance of the Series 2023A-2 Refunding Term Loan and will be defeased in December 2024.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Tax-Exempt Senior Limited General Obligation Refunding Term Loan, Series 2023A-1

The District issued Tax-Exempt Limited General Obligation Refunding Term Loan, Series 2023A-1 on October 16, 2023 in the principal amount of \$4,923,000. Interest is 5.48%, payable semiannually on June 1 and December 1, commencing in 2024. Unpaid interest shall not compound or bear additional interest. The Loan matures on December 1, 2043. On and after October 16, 2033, the Loan is subject to redemption and payment prior to maturity, at the option of the District, which shall be exercised upon prior written direction from the District, on any Interest Payment Date without premium.

Proceeds of the Series 2023A-1 Loan were used to pay and cancel the District's outstanding General Obligation Limited Tax Bonds, Series 2006, and to pay the costs of issuing the 2023A-1 Loan.

The Series 2023A-1 Loan is secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Subordinate Mill Levy net of the cost of collection, the portion of specific ownership taxes allocable to the amount of the Required Subordinate Mill Levy, and any other legally available monies of the District.

Taxable Convertible to Tax-Exempt Senior Limited General Obligation Refunding Term Loan, Series 2023A-2

The District issued Taxable Convertible to Tax-Exempt Limited General Obligation Refunding Term Loan, Series 2023A-2 on October 16, 2023 in the principal amount of \$6,552,000. Interest is 5.56%, payable semiannually on June 1 and December 1, commencing in 2024. Unpaid interest shall not compound or bear additional interest. The Loan matures on December 1, 2043. On and after October 16, 2033, the Loan is subject to redemption and payment prior to maturity, at the option of the District, which shall be exercised upon prior written direction from the District, on any Interest Payment Date without premium.

Proceeds of the Series 2023A-2 Loan will be used to pay and cancel the District's outstanding General Obligation Limited Tax Refunding Bonds, Series 2014A and Series 2014B on December 1, 2024, and to pay the costs of issuing the 2023A-2 Loan.

The Series 2023A-2 Loan is secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Subordinate Mill Levy net of the cost of collection, the portion of specific ownership taxes allocable to the amount of the Required Subordinate Mill Levy, and any other legally available monies of the District.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation or order of any court or any administrative or governmental body); provided, however, that except for Events of Default occurring under this section, which will be deemed to have occurred as of the date of any such Default hereof, no Event of Default will be deemed to have occurred hereunder unless and until the Lender provides written notice of the same to the District:

- (a) the District fails or refuses to impose the Required Mill Levy as required hereunder or to transfer or cause the transfer of the Pledged Revenue to the Loan Payment Fund promptly upon the receipt thereof as required by this Agreement or fails to apply or cause the Pledged Revenue to be applied as required by this Agreement;
- (b) the District fails to observe or perform any of the covenants, agreements, duties or conditions on the part of the District in this Agreement or the other Financing Documents and such failure is not remedied to the satisfaction of the Lender within 30 days after the date on which the District receives notice from the Lender of such failure;
- (c) any representation or warranty made by the District in this Agreement or in any other Financing Document to which the District is a party or any certificate, instrument, financial or other statement furnished by the District to the Lender in connection with the Loan proves to have been untrue or incomplete in any material respect when made or deemed made;
- (d) the pledge of the Pledged Revenue or any other security interest created hereunder fails to be fully enforceable with the priority required hereunder or thereunder;
- (e) any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$100,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest;
- (f) the District shall initiate, acquiesce or consent to any proceedings to dissolve the District or to consolidate the District with other similar entities into a single entity or the District shall otherwise cease to exist;
- (g) the District shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its creditors;
- (h) this Agreement or any other Financing Document, or any material provision hereof: or
- (i) any funds or investments on deposit in, or otherwise to the credit of any of the funds and accounts established pursuant to Section 3.01 hereof shall become subject to any writ, judgment, warrant or attachment, execution or similar process.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default (Continued)

The District's long-term obligations relating to Series 2014A, Series 2014B, Series 2023A-1 and Series 2023A-2 general obligation loans will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,021,000	\$ 1,267,821	\$ 8,288,821
2025	350,000	624,367	974,367
2026	371,000	605,027	976,027
2027	390,000	584,526	974,526
2028	413,000	562,976	975,976
2029-2033	2,430,000	2,446,753	4,876,753
2034-2038	3,180,000	1,696,789	4,876,789
2039-2043	4,165,000	715,600	4,880,600
Total	<u>\$ 18,320,000</u>	<u>\$ 8,503,859</u>	<u>\$ 26,823,859</u>

Authorized Debt

On November 5, 2002, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$85,230,000 at an interest rate not to exceed 12% per annum. At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 5, 2002	Amount Authorized on November 2, 2010	<u>Authorization Used</u>					Authorized But Unused
			Series 2006 Bonds	Series 2007A and 2007B Bonds	Series 2014A and 2014B Bonds	Series 2023A-1 Loan	Series 2023A-2 Loan	
Streets	\$ 5,965,000	\$ -	\$ 2,910,000	\$ 1,059,656	\$ -	\$ -	\$ -	\$ 1,995,344
Parks and Recreation	8,580,000	-	3,447,000	2,831,000	-	-	-	2,302,000
Water Supply System	610,000	3,000,000	383,000	200,000	-	-	-	3,027,000
Sanitary Sewer and Storm Drainage	4,605,000	-	920,000	727,400	366,861	-	-	2,590,739
Public Transportation	22,855,000	-	-	1,243,944	-	-	-	21,611,056
Refunding	42,615,000	-	-	-	8,698,139	4,923,000	6,552,000	22,441,861
Reimbursement Agreements	-	42,615,000	-	-	-	-	-	42,615,000
Total	<u>\$ 85,230,000</u>	<u>\$ 45,615,000</u>	<u>\$ 7,660,000</u>	<u>\$ 6,062,000</u>	<u>\$ 9,065,000</u>	<u>\$ 4,923,000</u>	<u>\$ 6,552,000</u>	<u>\$ 96,583,000</u>

Pursuant to the Service Plan, the District is permitted to issue additional bond indebtedness of up to \$45,615,000. The Service Plan also limits the total mill levy (debt service and operations combined) to 50.000 mills. Required Mill Levy is discussed under Bonds.

In the future, the District may issue a portion of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NET POSITION

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

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 19,200
Debt Service Reserve	6,947,603
Capital Projects Reserve	43,887
Total Restricted Net Position	\$ 7,010,690

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other entities and which costs were removed from the District’s financial records.

NOTE 7 AGREEMENTS

Property Owners Reimbursement

On September 28, 2007, the District entered into a parking license agreement with the Regional Transportation District (RTD) by which the District received use of 200 parking spaces within the Public Parking Units of the Lincoln Station Parking Garage for an initial five-year term of May 15, 2008, thru May 14, 2013, continuing past this initial term unless terminated by either of the parties. The license may be terminated by RTD on any date after June 1, 2010, but only upon 12 months written notice prior to termination. However, the District may terminate the license at any time upon 30 days written notice prior to termination.

The District pays \$40,000 per year, which is \$200 per parking space per year, for the maintenance and operation of the Licensed Parking Spaces, which is due on or before June 1 of each year of the license term. In prior years, Lincoln Station Phase One, LLC (formerly the Developer) was invoiced for this expense and reimbursed the District for these costs. As the District is no longer in the development stage, the current property owners utilizing the parking spaces are invoiced and reimburse the District. During the year ended December 31, 2023, the District received the combined \$40,000 reimbursement from Spectrum Properties, LTD and McDonald Land Holdings LLC.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Tri-Party Agreement Reimbursement (Joint Access Easement Agreement)

Effective March 26, 2004, the District, Bradbury Properties, Inc. (Bradbury) (former Developer of property within the District), TCR MS Lincoln Station, LLC (TCR), and RTD entered into an agreement for Joint Access Easement. Bradbury and RTD grant to TCR a perpetual, nonexclusive easement upon, over and across the Parking Access Drive for: (a) pedestrian access between the TCR Residences, Park Meadows Drive, the Bradbury Parcel, and the RTD Parcel; (b) vehicular ingress and egress between Park Meadows Drive and the TCR Parcel; and (c) installation, operation, maintenance, repair, and replacement of utilities on and under the Parking Access Drive.

TCR shall be responsible for 100% of costs maintaining the sidewalks, benches, landscape, irrigation, and utilities within the Parking Access Drive between the back of the curb on the north side of the drive lanes and the TCR Parcel.

The first party to require use of the vehicular lanes shall pay 100% of the maintenance of the lanes. Once more than one party is using the vehicular lanes, the costs for maintaining the lanes will be proportionately shared based on traffic use, first determined by an estimate done on August 29, 2002. With 90 days written notice by any of the three parties, a traffic survey is to be done, but no more frequently than once every three years. If the new traffic survey reveals peak hour traffic volumes deviating 10% or more from the previous basis, the new study will become the new basis and the parties will split equally the cost of the survey and the parties will pay for the survey within 30 days after each party's receipt of an invoice for their share of these survey costs. If the deviation is less than 10%, the basis is not changed and the party which requested the survey shall pay 100% of the costs of the survey.

If RTD is responsible for maintaining the Parking Access Drive, Bradbury shall be responsible for paying a proportionate share of the costs to RTD on or before March 1 of each year, provided that RTD has sent a detailed expense report to Bradbury by February 1 of such year outlining all expenses incurred in the previous year for the Parking Access Drive.

TCR's proportionate share of the cost for maintaining the lanes will be paid to the District within 30 days after receipt of the billing from the District. If the Parking Access Drive is publicly dedicated or condemned, the Parties' payment obligations shall terminate.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Camden General Fund Fee (Exclusion and Service Agreement with Camden USA, Inc.)

The Exclusion and Service Agreement was entered into on July 2, 2007, between the District and Camden USA, Inc. The District received a petition requesting exclusion of certain real property that is located within the District (Lot 2-A) and the exclusion was granted on October 4, 2007. The excluded property shall continue to be subject to the levy of taxes for the payment of its proportionate share of the Bonds. The District will provide maintenance services to the property to the same level and frequency as when the property was subject to the General Mill Levy. The owner will pay the District a General Fund fee calculated by the district based on the final assessed valuation of the property as a percentage of the total assessed valuation with the operations and maintenance costs allocated proportionately. The amount will be communicated to the property owner on or about January 15 of each year. During the year ended December 31, 2023, the District assessed \$47,157 related to this agreement.

RTD Maintenance Contribution (Agreement for Development, Operation, and Easements for Bradbury Transit Village)

RTD and Bradbury entered into an agreement on November 8, 2001. Subsequently, Bradbury and RTD entered into a First Amendment (December 23, 2002), a Second Amendment (August 11, 2003), a Third Amendment (April 14, 2005), and a Fourth Amendment (January 10, 2007). As set forth in the Fourth Amendment, RTD shall contribute 36.2% of the expenses for operation, maintenance, repair, and replacement of the Villages' Pedestrian Plaza, excluding storm water, detention, and/or water quality facilities. During the year ended December 31, 2023, the District received \$94,969 related to this agreement and accrued an account receivable of \$71,154 as of December 31, 2023, for a total of \$166,123.

Developer (Owner) Maintenance (Fee) Reimbursement (Maintenance Agreement for Transit Oriented Development)

A Maintenance Agreement was entered into on February 1, 2007, between the District and Lincoln Station, LLC. The District will annually calculate the amount of the District's entire Maintenance Funding Shortfall, which will be the amount of insufficiency of funds generated from other revenue sources to pay for the maintenance costs for infrastructure located within Lots 4-A, 4-B, 5-A, 5-B, Tract D, Commuter Way and Station Street, Heritage Hills Filing No. 2, 1st Amendment. The property owners will be responsible to pay for the shortfall based on a proportionate scale of the property's Assessed Valuation (AV) of the District's total AV. The District will send a separate bill to each of the property owners in January of each year following calculation of the Maintenance Fee. Subsequently, the District and Lincoln Station, LLC entered into a First Amendment on January 1, 2008, with regards to damage or destruction of improvements and use of net proceeds. The District entered into a Second Amendment on May 18, 2010, with Lincoln Station, LLC as well as Lincoln Station Investors, LLC and Lincoln Station Phase One, LLC and Lincoln Station-Land II, LLC and Kaiser Foundation Hospitals.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Developer (Owner) Maintenance (Fee) Reimbursement (Maintenance Agreement for Transit Oriented Development) (Continued)

This Second Amendment replaces the prior (First) Amendment and serves to clarify the maintenance activities for which the Maintenance Fee is charged as a District-wide obligation binding all real property located within the District's boundaries. No maintenance fee was charged during the year ended December 31, 2023.

NOTE 8 RISK MANAGEMENT

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

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

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

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 5, 2002, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR or Section 29-1-301, C.R.S.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9 TAX SPENDING AND DEBT LIMITATIONS (CONTINUED)

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

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

SUPPLEMENTARY INFORMATION

**LINCOLN STATION METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,475,417	\$ 1,475,417	\$ 1,335,026	\$ (140,391)
Specific Ownership Taxes	132,788	132,788	136,822	4,034
Interest Income	70,000	70,000	133,709	63,709
Total Revenues	<u>1,678,205</u>	<u>1,678,205</u>	<u>1,605,557</u>	<u>(72,648)</u>
EXPENDITURES				
County Treasurer's Fee	22,131	22,131	20,013	2,118
Paying Agent Fees	5,000	5,100	3,830	1,270
Bond Interest - Series 2006	402,350	201,175	201,175	-
Bond Interest - Series 2014A	331,100	165,550	331,100	(165,550)
Bond Interest - Series 2014B	170,450	85,225	170,450	(85,225)
Cost of Issuance	-	398,000	380,100	17,900
Bond Principal - Series 2006	225,000	-	-	-
Bond Principal - Series 2014A	210,000	-	210,000	(210,000)
Bond Principal - Series 2014B	110,000	-	110,000	(110,000)
Refunding Escrow	-	13,820,000	6,340,881	7,479,119
Contingency	3,969	4,819	-	4,819
Total Expenditures	<u>1,480,000</u>	<u>14,702,000</u>	<u>7,767,549</u>	<u>6,934,451</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	198,205	(13,023,795)	(6,161,992)	6,861,803
OTHER FINANCING SOURCES (USES)				
Loan Issuance Proceeds	-	11,475,000	11,475,000	-
Total Other Financing Sources	<u>-</u>	<u>11,475,000</u>	<u>11,475,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	198,205	(1,548,795)	5,313,008	6,861,803
Fund Balance - Beginning of Year	<u>1,708,200</u>	<u>1,708,200</u>	<u>1,740,246</u>	<u>32,046</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,906,405</u>	<u>\$ 159,405</u>	<u>\$ 7,053,254</u>	<u>\$ 6,893,849</u>

**LINCOLN STATION METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax Revenue - LID	\$ 40,000	\$ 38,045	\$ (1,955)
Interest Income	-	1,052	1,052
Total Revenues	<u>40,000</u>	<u>39,097</u>	<u>(903)</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	40,000	39,097	(903)
OTHER FINANCING SOURCES (USES)			
Transfers To Other Fund	(43,257)	-	43,257
Total Other Financing Sources (Uses)	<u>(43,257)</u>	<u>-</u>	<u>43,257</u>
NET CHANGE IN FUND BALANCE	(3,257)	39,097	42,354
Fund Balance - Beginning of Year	<u>3,257</u>	<u>4,790</u>	<u>1,533</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 43,887</u>	<u>\$ 43,887</u>

OTHER INFORMATION - UNAUDITED

**LINCOLN STATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

	\$4,923,000		
	Tax Exempt Senior Limited General Obligation Refunding Loan Series 2023A-1, Dated October 16, 2023		
	Interest Rate 5.48%		
	Interest Payable June 1 and December 1		
Bonds/Loans Bonds/Loans and Interest Maturing in the Year Ending <u>December 31,</u>	<u>Principal Payable December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 101,000	\$ 303,503	\$ 404,503
2025	150,000	264,246	414,246
2026	159,000	256,026	415,026
2027	167,000	247,312	414,312
2028	177,000	238,161	415,161
2029	186,000	228,461	414,461
2030	196,000	218,268	414,268
2031	207,000	207,528	414,528
2032	219,000	196,184	415,184
2033	231,000	184,183	415,183
2034	243,000	171,524	414,524
2035	257,000	158,208	415,208
2036	270,000	144,124	414,124
2037	285,000	129,328	414,328
2038	300,000	113,710	413,710
2039	315,000	97,270	412,270
2040	335,000	80,008	415,008
2041	355,000	61,650	416,650
2042	375,000	42,196	417,196
2043	395,000	21,646	416,646
Total	<u>\$ 4,923,000</u>	<u>\$ 3,363,536</u>	<u>\$ 8,286,536</u>

**LINCOLN STATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2023**

Bonds/Loans and Interest Maturing in the Year Ending <u>December 31,</u>	\$6,552,000 Taxable Converting to Tax Exempt General Obligation Refunding Loan Series 2023A-2, Dated October 16, 2023 Interest Rate 5.56% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2024	\$ 75,000	\$ 485,168	\$ 560,168
2025	200,000	360,121	560,121
2026	212,000	349,001	561,001
2027	223,000	337,214	560,214
2028	236,000	324,815	560,815
2029	249,000	311,694	560,694
2030	263,000	297,849	560,849
2031	277,000	283,227	560,227
2032	293,000	267,825	560,825
2033	309,000	251,534	560,534
2034	326,000	234,354	560,354
2035	344,000	216,229	560,229
2036	365,000	197,102	562,102
2037	385,000	176,808	561,808
2038	405,000	155,402	560,402
2039	430,000	132,884	562,884
2040	450,000	108,976	558,976
2041	475,000	83,956	558,956
2042	505,000	57,546	562,546
2043	530,000	29,468	559,468
Total	\$ 6,552,000	\$ 4,661,173	\$ 11,213,173

**LINCOLN STATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2023**

	\$5,985,000		
	General Obligation Bonds		
	Limited Tax Refunding Bonds		
	Series 2014A Interest Rate 7.00%		
	Interest Payable June 1 and December 1		
Bonds/Loans and Interest Maturing in the Year Ending <u>December 31,</u>	Principal Payable December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,520,000	\$ 316,400	\$ 4,836,400
Total	<u>\$ 4,520,000</u>	<u>\$ 316,400</u>	<u>\$ 4,836,400</u>

	\$3,080,000		
	General Obligation Bonds		
	Limited Tax Refunding Bonds		
	Series 2014B		
	Interest Rate 7.00%		
	Interest Payable		
	June 1 and December 1		
Bonds/Loans and Interest Maturing in the Year Ending <u>December 31,</u>	Principal Payable December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,325,000	\$ 162,750	\$ 2,487,750
Total	<u>\$ 2,325,000</u>	<u>\$ 162,750</u>	<u>\$ 2,487,750</u>

	TOTALS		
Bonds/Loans and Interest Maturing in the Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,021,000	\$ 1,267,821	\$ 8,288,821
2025	350,000	624,367	974,367
2026	371,000	605,027	976,027
2027	390,000	584,526	974,526
2028	413,000	562,976	975,976
2029	435,000	540,155	975,155
2030	459,000	516,117	975,117
2031	484,000	490,755	974,755
2032	512,000	464,009	976,009
2033	540,000	435,717	975,717
2034	569,000	405,878	974,878
2035	601,000	374,437	975,437
2036	635,000	341,226	976,226
2037	670,000	306,136	976,136
2038	705,000	269,112	974,112
2039	745,000	230,154	975,154
2040	785,000	188,984	973,984
2041	830,000	145,606	975,606
2042	880,000	99,742	979,742
2043	925,000	51,114	976,114
Total	<u>\$ 18,320,000</u>	<u>\$ 8,503,859</u>	<u>\$ 26,823,859</u>

**LINCOLN STATION METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2019	\$ 52,786,460	0.0%	7.500	27.500	35.000	\$ 1,812,914	\$ 1,792,259	98.86 %
2020	55,455,860	5.1%	7.500	27.500	35.000	1,900,112	1,853,263	97.53 %
2021	52,215,810	-5.8%	7.500	27.500	35.000	1,821,856	1,821,996	100.01 %
2022	53,853,050	3.1%	7.500	27.500	35.000	1,841,307	1,853,825	100.68 %
2023	53,532,750	-0.6%	7.516	27.561	35.077	1,836,548	1,657,872	90.27 %
Estimated for Year Ending December 31, 2024	\$ 59,757,760	11.6%	7.800	15.310	23.110	\$ 1,327,623		

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: Douglas County Assessor and Treasurer.