

PARK CREEK METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2023

with

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Park Creek Metropolitan District
Denver, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Park Creek 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2023, and the respective changes in financial position and, 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. 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, 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund and Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Capital Projects Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Denver, Colorado
July 24, 2024

Bank, Finley White & Co.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis is designed to provide an analysis of the Park Creek Metropolitan District's ("District"), financial condition and operating results and to inform the reader of the District's financial issues and activities.

The Management's Discussion and Analysis (MD & A) should be read in conjunction with the District's financial statements.

Financial Highlights

- The net position deficit of the District decreased by \$18,015,963 in 2023 to \$(174,971,668). A negative net position (deficit) is typical in a metropolitan district, which transfers its capital assets to the controlling government entity (city, town, etc.) after construction is complete but retains the related debt in the district until it is paid off.
- The District is obligated to fund, construct and in some instances maintain infrastructure within the Stapleton Service Area, as defined in the District's service plan.
- In 2023, approximately \$14 million was expended for construction of capital assets compared to \$14 million in 2022. Most of the current year's expenditures were concentrated in filing PD.
- The District has eight bond issues and one loan outstanding. No new debt was issued in 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, liabilities, deferred inflows of resources and deferred outflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements identify functions of the District that are principally to be supported by ad valorem taxes (governmental activities). The governmental activities of the District include the financing of governmental infrastructure constructed or acquired by the District.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows, outflows and balances of spendable resources. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three governmental funds: General Fund, Capital Projects Fund and Debt Service Fund, all of which are major funds. Information is presented separately in the governmental fund financial statements.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for this fund in the basic financial statements to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 1-3 of this report.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 4- 25 of this report.

Government-wide Financial Analysis

The assets of the District are classified as current assets and capital assets. Cash and investments, receivables, prepaid expenses and prepaid bond insurance are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are receivables, cash and investments, and prepaid insurance. Capital assets are split between depreciable and non-depreciable, which will be conveyed to other governments.

Current and noncurrent liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable and accrued interest. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2023.

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one type of item that qualifies for reporting in this category, the deferred loss on refunding.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government does not have any items that qualify for reporting in the category.

Current assets decreased by \$16,575,606 primarily as a result of an decrease in the cash deposits. Current liabilities decreased by \$22,006 mainly due to a decrease in amounts due to vendors at the end of the year.

Capital Assets increased by \$12,501,764. Noncurrent liabilities decreased by \$23,453,736, as a result of principal payments on the long-term debt.

Review of Net Position

	December 31,	
	<u>2023</u>	<u>2022</u>
Assets:		
Current assets	\$ 11,856,859	\$ 28,432,465
Capital assets	<u>511,568,901</u>	<u>499,067,137</u>
Total assets	<u>523,425,760</u>	<u>527,499,602</u>
Deferred outflow of resources		
Deferred loss on refunding	<u>21,952,319</u>	<u>23,348,030</u>
Total deferred outflow of resources	<u>21,952,319</u>	<u>23,348,030</u>
Liabilities:		
Current liabilities	17,889,445	17,911,451
Long-term liabilities	<u>702,460,302</u>	<u>725,914,038</u>
Total liabilities	<u>720,349,747</u>	<u>743,825,489</u>
Net position (deficit):		
Net investment in capital assets	(181,324,082)	(214,938,871)
Restricted	2,203,498	17,869,788
Unrestricted net position	<u>4,148,916</u>	<u>4,081,452</u>
Total net position (deficit)	<u>\$(174,971,668)</u>	<u>\$(192,987,631)</u>

Review of Change in Net Position

	Year Ended December 31,	
	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenue:		
Damage & facility fees	823,009	1,080,993
General revenue:		
DURA bond draws/TIF revenue	5,438,496	1,680,892
Other income	1,739,690	269,868
Payments from Westerly Creek	<u>48,918,103</u>	<u>47,974,716</u>
Total revenue	<u>57,602,878</u>	<u>51,724,683</u>
Expenses:		
Governmental activities:		
General government	2,577,810	2,018,063
Depreciation	1,686,545	1,686,545
Transfers to Westerly Creek	740,817	520,518
Interest and other fiscal charges	<u>34,581,743</u>	<u>38,147,404</u>
Total expenses	<u>39,586,915</u>	<u>42,372,530</u>
Total change in net position	18,015,963	9,352,153
Net position - beginning of year	<u>(192,987,631)</u>	<u>(202,339,784)</u>
Net position - end of year	<u>\$(174,971,668)</u>	<u>\$(192,987,631)</u>

The net change in net position increased as compared to 2023 primarily due to the construction of new improvements.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a total ending fund balance of \$9,072,904.

Restricted fund balance for the District at the end of the fiscal year was \$4,923,988, which is restricted for the payment of the general obligation bonds, capital improvements and emergencies.

Budgetary Highlights

The fund balance for the General Fund increased by \$142,472, resulting in an ending fund balance of \$4,224,392. Actual revenue were less than budgeted revenue by \$519,019, principally due to a decrease in payments from Westerly Creek Metropolitan District. Actual expenditures were \$4,792,355 less than budgeted expenditures.

The fund balance for the Debt Service Fund decreased by \$11,688,305, resulting in an ending fund balance of \$2,530,796. Actual revenue were less budgeted revenue by \$352,091, principally due to a decrease in the payment from Westerly Creek. Actual expenditures were \$575,733 more than originally budgeted expenditures.

The fund balance for the Capital Projects Fund decreased by \$4,211,758, resulting in an ending fund balance of \$2,317,716. Actual revenues were less than budgeted revenue by \$1,573,882, principally due to an decrease in funding from the various entities and facility fees. Actual expenditures were \$11,725,366 less than budgeted expenditures, principally due to a decrease in capital expenditures.

Long-Term Debt

At the end of the current fiscal year, the District had total indebtedness of \$714,845,302.

Additional information on the District's long-term debt can be found in Note 4 on pages 13-23 of this report.

Next Year's Budgets and Rates

The District has budgeted to spend approximately \$16,000,000 on infrastructure in 2024, the primarily source of revenue for these improvements is bond proceeds.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Park Creek Metropolitan District
SDC Services Corp.
Controller's Office
7350 E. 29th Avenue, Suite 200
Denver, CO 80238

PARK CREEK METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 4,636,334	\$ -	\$ -	\$ 4,636,334	\$ -	\$ 4,636,334
Cash and investments - restricted	132,825	2,530,796	3,975,406	6,639,027	-	6,639,027
Accounts receivable:						
Other	218,733	-	305,416	524,149	-	524,149
Prepaid expenses	-	-	57,349	57,349	-	57,349
Capital assets not being depreciated	-	-	-	-	501,579,602	501,579,602
Capital assets, net	-	-	-	-	9,989,299	9,989,299
Total Assets	<u>4,987,892</u>	<u>2,530,796</u>	<u>4,338,171</u>	<u>11,856,859</u>	<u>511,568,901</u>	<u>523,425,760</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	-	-	-	-	21,952,319	21,952,319
Total Deferred Outflows of Resources	-	-	-	-	21,952,319	21,952,319
Total Assets and Deferred Outflows of Resources	<u>\$ 4,987,892</u>	<u>\$ 2,530,796</u>	<u>\$ 4,338,171</u>	<u>\$ 11,856,859</u>		
LIABILITIES						
Accounts payable	\$ 763,500	\$ -	\$ 2,020,455	\$ 2,783,955	-	2,783,955
Accrued interest	-	-	-	-	2,720,490	2,720,490
Long-term liabilities:						
Due within one year	-	-	-	-	12,385,000	12,385,000
Due in more than one year	-	-	-	-	702,460,302	702,460,302
Total Liabilities	<u>763,500</u>	<u>-</u>	<u>2,020,455</u>	<u>2,783,955</u>	<u>717,565,792</u>	<u>720,349,747</u>
FUND BALANCES/NET POSITION						
Fund Balances:						
Nonspendable:						
Prepays	-	-	57,349	57,349	(57,349)	-
Restricted:						
Emergencies	132,825	-	-	132,825	(132,825)	-
Debt service	-	2,530,796	-	2,530,796	(2,530,796)	-
Capital projects	-	-	2,260,367	2,260,367	(2,260,367)	-
Unassigned	<u>4,091,567</u>	<u>-</u>	<u>-</u>	<u>4,091,567</u>	<u>(4,091,567)</u>	<u>-</u>
Total Fund Balances	<u>4,224,392</u>	<u>2,530,796</u>	<u>2,317,716</u>	<u>9,072,904</u>	<u>(9,072,904)</u>	<u>-</u>
Total Liabilities, and Fund Balance	<u>\$ 4,987,892</u>	<u>\$ 2,530,796</u>	<u>\$ 4,338,171</u>	<u>\$ 11,856,859</u>		
Net Position:						
Net investment in capital assets					(181,324,082)	(181,324,082)
Restricted for:						
Emergencies					132,825	132,825
Debt service					(189,694)	(189,694)
Capital projects					2,260,367	2,260,367
Unrestricted					<u>4,148,916</u>	<u>4,148,916</u>
Total Net Position					<u>\$ (174,971,668)</u>	<u>\$ (174,971,668)</u>

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

PARK CREEK METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Accounting and audit	\$ 26,824	\$ -	\$ -	\$ 26,824	\$ -	\$ 26,824
Office expenses	21,488	-	-	21,488	-	21,488
Insurance	41,046	-	-	41,046	-	41,046
Legal	33,879	-	-	33,879	-	33,879
Professional fees	9,500	-	-	9,500	-	9,500
Trustee fees	11,550	-	-	11,550	-	11,550
Drainage fees	502,997	-	-	502,997	-	502,997
Maintenance	1,923,392	-	-	1,923,392	-	1,923,392
Payments to Westerly Creek	284,180	456,637	-	740,817	-	740,817
Debt Service:						
Principal Bonds		11,440,000	-	11,440,000	(11,440,000)	-
Interest expense Bonds		31,178,901	-	31,178,901	(1,574,457)	29,604,444
Interest expense Lapis		3,737,454	-	3,737,454	-	3,737,454
Principal Lapis note		10,000,000		10,000,000	(10,000,000)	-
Developer obligations principal		2,523,018	1,142,021	3,665,039	(3,665,039)	-
Developer interest payments		-	24,558	24,558	1,212,853	1,237,411
Bond issuance costs		(1,566)	4,000	2,434	-	2,434
Capital expenditures	-	-	14,188,309	14,188,309	(14,188,309)	-
Other capital expenditures:						
Damage repairs	-	-	7,134	7,134	-	7,134
Depreciation	-	-	-	-	1,686,545	1,686,545
Total Expenditures	<u>2,854,856</u>	<u>59,334,444</u>	<u>15,366,022</u>	<u>77,555,322</u>	<u>(37,968,407)</u>	<u>39,586,915</u>
PROGRAM REVENUES						
Facility fees	-	-	779,000	779,000	-	779,000
Damage and other fees	-	-	44,009	44,009	-	44,009
Total Program Revenues	<u>-</u>	<u>-</u>	<u>823,009</u>	<u>823,009</u>	<u>-</u>	<u>823,009</u>
Net Program Income (Expenses)	<u>(2,854,856)</u>	<u>(59,334,444)</u>	<u>(14,543,013)</u>	<u>(76,732,313)</u>	<u>37,968,407</u>	<u>(38,763,906)</u>
GENERAL REVENUES						
Payments from Westerly Creek	3,602,553	45,315,550	-	48,918,103	-	48,918,103
DURA bond draws/TIF Revenue	-	-	5,438,496	5,438,496	-	5,438,496
Aurora use tax	-	-	683,580	683,580	-	683,580
Other income	128,032	1,560,878	74,873	1,763,783	(24,093)	1,739,690
Total General Revenues	<u>3,730,585</u>	<u>46,876,428</u>	<u>6,196,949</u>	<u>56,803,962</u>	<u>(24,093)</u>	<u>56,779,869</u>
EXCESS (DEFICIENCY) OF REVENUES OVER						
EXPENDITURES	875,729	(12,458,016)	(8,346,064)	(19,928,351)	37,944,314	18,015,963
OTHER FINANCING SOURCES (USES)						
Developer advances	-	-	4,170,760	4,170,760	(4,170,760)	-
Transfers in (out)	(733,257)	769,711	(36,454)	-	-	-
Total Other Financing Sources (Uses)	<u>(733,257)</u>	<u>769,711</u>	<u>4,134,306</u>	<u>4,170,760</u>	<u>(4,170,760)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	142,472	(11,688,305)	(4,211,758)	(15,757,591)	15,757,591	
CHANGE IN NET POSITION					18,015,963	18,015,963
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	<u>4,081,920</u>	<u>14,219,101</u>	<u>6,529,474</u>	<u>24,830,495</u>	<u>(217,818,126)</u>	<u>(192,987,631)</u>
END OF YEAR	<u>\$ 4,224,392</u>	<u>\$ 2,530,796</u>	<u>\$ 2,317,716</u>	<u>\$ 9,072,904</u>	<u>\$ (184,044,572)</u>	<u>\$ (174,971,668)</u>

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

PARK CREEK METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2023

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES			
Payments from Westerly Creek	\$ 4,248,604	\$ 3,602,553	\$ (646,051)
Other income	<u>1,000</u>	<u>128,032</u>	<u>127,032</u>
Total Revenues	<u>4,249,604</u>	<u>3,730,585</u>	<u>(519,019)</u>
EXPENDITURES			
Accounting and audit	30,000	26,824	3,176
Office expenses	40,000	21,488	18,512
Insurance	45,000	41,046	3,954
Legal	75,000	33,879	41,121
Professional fees	1,000	9,500	(8,500)
Trustee fees	-	11,550	(11,550)
Drainage fees	-	502,997	(502,997)
Maintenance	1,857,260	1,923,392	(66,132)
Miscellaneous expenses	15,000	-	15,000
Emergency Reserve	106,488	-	106,488
Reserve for improvements	5,279,118	-	5,279,118
Payments to Westerly Creek	<u>198,345</u>	<u>284,180</u>	<u>(85,835)</u>
Total Expenditures	<u>7,647,211</u>	<u>2,854,856</u>	<u>4,792,355</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,397,607)	875,729	4,273,336
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>(700,000)</u>	<u>(733,257)</u>	<u>(33,257)</u>
Total Other Financing Sources (Uses)	<u>(700,000)</u>	<u>(733,257)</u>	<u>(33,257)</u>
NET CHANGE IN FUND BALANCE	(4,097,607)	142,472	4,240,079
FUND BALANCE:			
BEGINNING OF YEAR	<u>4,097,607</u>	<u>4,081,920</u>	<u>(15,687)</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 4,224,392</u>	<u>\$ 4,224,392</u>

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

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Park Creek Metropolitan District (“District”), located in the City and County of Denver, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on July 13, 2000, as a quasi-municipal organization established under the State of Colorado Special District Act. The District, in cooperation with Westerly Creek Metropolitan District (“Westerly Creek”), manages the financing, construction, operation and maintenance of the infrastructure facilities located within Westerly Creek. The District is the financing, construction and operating district and Westerly Creek is the taxing district. The District and Westerly Creek were organized for the completion of infrastructure at the former Stapleton International Airport. The District's primary revenues are system development fees, damage and facility fees, and DURA bond draws/TIF revenue and payments from Westerly Creek. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

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

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

Basis of Presentation

The accompanying financial statements are presented in conformance with GASB 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, which establishes financial reporting standards for special-purpose governments

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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

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

Budgetary Accounting

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

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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 minimum number of bank accounts. 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.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. These amounts are eliminated in the Statement of Net Position.

Estimates

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any items that qualify for reporting in this category.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental 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 \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Landscaping	20 years
Alleys and storm sewers	20 years
Buildings and improvements	20 years
Furniture, fixtures and equipment	5 years

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Fund Balance

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

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the Capital Projects Fund represents prepaid expenditures, including prepaid insurance.

Restricted Fund Balance

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$132,825 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$2,530,796 is restricted for the payment of the debt service costs associated with the various District Obligations (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of \$2,260,367 is restricted for the payment of the costs associated with capital improvements within the District, including financing costs.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

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

Net Position

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

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

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

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

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

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Note 2: Cash and Investments

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

Statement of Net Position:

Cash and investments	\$ 4,636,334
Cash and investments - Restricted	<u>6,639,027</u>
Total	\$ <u>11,275,361</u>

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

Deposits with financial institutions	\$ 10,829,354
Investments – First American Government Obligation Fund	<u>446,007</u>
	\$ <u>11,275,361</u>

Deposits

Custodial Credit Risk

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

The District follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District’s investment is not required to be categorized within the fair value hierarchy.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Credit Risk

The District's investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

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

First American Government Obligation Fund

The debt service money that was included in the trust accounts at US Bank were invested in the First American Government Obligation Fund. This portfolio is a money market mutual fund which invests in short-term U.S. government securities, including repurchase agreements collateralized by U.S. government securities. U.S. government securities are bonds or other debt obligations issued or guaranteed as to principal and interest by the U.S. government or one of its agencies or instrumentalities. The First American Government Obligation Fund is rated AAAM by Standard and Poor's and the maturity is weighted average under 46 days. At December 31, 2023, the District had \$446,007 invested in the First American Government Obligation Fund.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Note 3: Capital Assets

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

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2023</u>
<u>Capital assets not being depreciated:</u>				
Land	\$ 2,791,283	\$ -	\$ -	\$ 2,791,283
Art	2,602,274	-	-	2,602,274
Construction in progress	<u>481,997,736</u>	<u>14,188,309</u>	<u>-</u>	<u>496,186,045</u>
Total capital assets not being depreciated	<u>487,391,293</u>	<u>14,188,309</u>	<u>-</u>	<u>501,579,602</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements	6,491,516	-	-	6,491,516
Landscaping	15,950,914	-	-	15,950,914
Alleys and storm sewers	11,315,887	-	-	11,315,887
Furnitures, fixtures and equipment	<u>368,862</u>	<u>-</u>	<u>-</u>	<u>368,862</u>
Total capital assets being depreciated	<u>34,127,179</u>	<u>-</u>	<u>-</u>	<u>34,127,179</u>
<u>Accumulated Depreciation:</u>				
Buildings and improvements	(4,549,134)	(324,576)	-	(4,873,710)
Landscaping	(9,126,768)	(797,546)	-	(9,924,314)
Alleys and storm sewers	(8,406,573)	(564,423)	-	(8,970,996)
Furnitures, fixtures and equipment	<u>(368,860)</u>	<u>-</u>	<u>-</u>	<u>(368,860)</u>
Total accumulated depreciation	<u>(22,451,335)</u>	<u>(1,686,545)</u>	<u>-</u>	<u>(24,137,880)</u>
Net capital assets being depreciated	<u>11,675,844</u>	<u>(1,686,545)</u>	<u>-</u>	<u>9,989,299</u>
Government type assets, net	<u>\$499,067,137</u>	<u>\$12,501,764</u>	<u>\$ -</u>	<u>\$511,568,901</u>

Upon completion and acceptance, all fixed assets except for certain parks and landscape improvements, pools, alleys and furniture, fixtures and equipment will be conveyed by the District to other local governments. The District will not be responsible for maintenance.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Note 4: Long Term Debt

A description of the outstanding long-term obligations as of December 31, 2023, is as follows:

Series 2013 Subordinate Limited Property Tax Supported Revenue Bonds

On July 17, 2013, the District issued \$50,000,000 of Subordinate Limited Property Tax Supported Revenue Bonds (the "Series 2013 Bonds"). The Series 2013 Bonds were issued for the purpose of (i) currently refunding all of the \$15,535,000 outstanding aggregate principal amount of the District's Junior Subordinate Limited Property Tax Supported Revenue Bonds, Series 2005, (ii) advance refunding all of the \$18,965,000 outstanding aggregate principal amount of the District's Subordinate Limited Property Tax Supported Revenue Bonds, Series 2003A and all of the \$9,965,000 outstanding aggregate principal amount of the District's Subordinate Limited Property Tax Supported Revenue Bonds, Series 2003B, (iii) repaying certain Developer Advances: as defined herein, (iv) funding certain capitalized interest for the Series 2013 Bonds, and (v) paying costs of issuance related to the Series 2013 Bonds. The Series 2013 Bonds bear a fixed interest rate of 6.875%, payable semiannually on each June 1 and December 1, commencing on December 1, 2013. The bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2018, subject to the availability of funds in the Subordinate Bond Fund. The Bonds are subject to an early redemption at the option of the District commencing December 1, 2024, with no call premium. The Series 2013 Bonds mature on December 1, 2041. The Series 2013 Bonds are secured by Pledged Revenues comprised primarily of Subordinate Tax Revenues as defined in the Senior Indenture. The Series 2013 Bonds are payable from the subordinate revenues which are pledged is subordinate to the 2015, 2016, 2017, 2018, 2019 and 2022 Bonds.

The Series 2013 Bonds were issued at a discount of \$772,000, which will be amortized over the life of the bonds. As of December 31, 2023, \$744,817 has been amortized which includes \$448,231 relating to a portion of Series 2013 Bonds which were refunded in 2020.

Series 2015 Senior Limited Property Tax Supported Revenue Refunding Bonds

On December 17, 2015, the District issued \$231,290,000 of Senior Limited Property Tax Supported Revenue Bonds, Series 2015A (the "Series 2015 Bonds") for the purpose of (i) refunding the Senior Limited Property Tax Supported Revenue Bonds, Series 2005 (the "Series 2005 Bonds"), Senior Limited Property Tax Supported Revenue Refunding and Improvement Bonds, Series 2009 (the "Series 2009 Bonds") and the Senior Limited Property Tax Supported Revenue Refunding Bonds, Series 2011A (the "Series 2011A Bonds"), (ii) repaying certain Developer Advances and/or Reimbursement Notes, and (iii) paying costs of issuance. The Series 2015 Bonds mature on December 1, 2045 and bear interest between the rates of 2.0% and 5.0%, payable semiannually on each June 1 and December 1, commencing on June 1, 2016. The Series 2015 Bonds maturing on or after December 1, 2026 are subject to a redemption prior to maturity at the option of the District commencing on December 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The Series 2015 Bonds maturing on December 1, 2045 are subject to mandatory sinking fund redemption commencing on December 1, 2036. The Series 2015 Bonds are secured by Pledged Revenues including (i) amounts payable to the District under the Stapleton Urban Redevelopment Area Cooperation Agreement, as amended between DURA and the City, and a Cooperation Agreement, as amended among DURA, the District and Westerly Creek, pursuant to which DURA agrees to pay to the District taxes collected by the City and paid to DURA from the Westerly Creek Limited Mill Levy, a limited ad valorem mill levy of not to exceed 50 mills, as adjusted, of which at least 48.5 mills, as adjusted, must be levied for debt service, and (ii) the amount of Specific Ownership Taxes collected by the District from Westerly Creek in each twelve month period from December 1 through November 30 in the lesser amount of \$700,000, or the amount received.

The Series 2015 Bonds were issued at a premium of \$25,193,519 which is being amortized over the life of the bonds. As of December 31, 2023, \$6,753,263 has been amortized. The Series 2015 Bonds, the Series 2016 Bonds, the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds and Series 2022 Bonds are secured by Pledged Revenues on a parity basis.

Series 2016A Senior Limited Property Tax Supported Revenue Bonds

On December 21, 2016 the District issued \$28,000,000 of Senior Limited Property Tax Supported Revenue Bonds Tax-Exempt, Series 2016A (the “Series 2016 Bonds”) to (i) repay Developer Advances and/or Reimbursement Notes, (ii) pay cost of issuance relating to the Series 2016 Bonds and (iii) pay for bond insurance. The Series 2016 Bonds mature on December 1, 2051 and bear interest at rates between 4.125% and 5.0%, payable semiannually on each June 1 and December 1, commencing on June 1, 2017. The Series 2016 Bonds maturing on or after December 1, 2027 are subject to a redemption prior to maturity at the option of the District commencing on December 1, 2026, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date.

The Series 2016 Bonds maturing on December 1, 2051 are subject to mandatory sinking fund redemption commencing on December 1, 2037. The Series 2015 Bonds, the Series 2016 Bonds, the Series 2017 Series 2018 Bonds, the 2019 Bonds and the 2022 Bond Bonds are secured by Pledged Revenues on a parity basis. The Series 2016 Bonds were issued at a premium of \$2,748,470 which is being amortized over the life of the bonds. As of December 31, 2023, \$552,420 has been amortized.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Series 2017A and 2017B Senior Limited Property Tax Supported Revenue Bonds

On December 20, 2017 the District issued \$48,610,000 of Senior Limited Property Tax Supported Revenue Bonds Tax-Exempt, Series 2017A, and \$18,000,000 Senior Limited Property Tax Supported Revenue Bonds Taxable, Series 2017B (the “Series 2017 Bonds”) to (i) repay Developer Advances and/or Reimbursement Notes, and (ii) pay cost of issuance relating to the Series 2017 Bonds. The Series 2017 Bonds mature on December 1, 2051 and bear interest at rates between 2.40% and 5.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2018.

The Series 2017A Bonds maturing on or after December 1, 2032 are subject to redemption prior to maturity at the option of the District commencing on December 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date. The Series 2017B Bonds maturing on or after December 1, 2026 are subject to redemption prior to maturity at the option of the District commencing on December 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date. The Series 2017A Bonds maturing on December 1, 2041, December 1, 2046 and December 1, 2051 are subject to mandatory sinking fund redemption. The Series 2017B Bonds maturing on December 1, 2032, and December 1, 2051 are subject to mandatory sinking fund redemption.

The Series 2015 Bonds, the Series 2016 Bonds, the Series 2017 Bonds the Series 2018 Bonds the Series 2019 Bonds and the Series 2022 Bonds are secured by Pledged Revenues on a parity basis. The Series 2017 Bonds were issued at a premium of \$6,766,867 which is being amortized over the life of the bonds. As of December 31, 2023, \$1,399,019 has been amortized.

Series 2018A and 2018B Senior Limited Property Tax Supported Revenue Bonds

On December 12, 2018 the District issued \$31,630,000 of Senior Limited Property Tax Supported Revenue Bonds Tax-Exempt, Series 2018A, and \$7,640,000 Senior Limited Property Tax Supported Revenue Bonds Taxable, Series 2018B (the “Series 2018 Bonds”) to (i) repay Developer Advances and/or Reimbursement Notes, and (ii) pay cost of issuance relating to the Series 2018 Bonds. The Series 2018 Bonds mature on December 1, 2051 and bear interest at rates between 3.20% and 5.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2019. The Series 2018 Bonds maturing on or after December 1, 2029 are subject to redemption prior to maturity at the option of the District commencing on December 1, 2028, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date.

The Series 2018A Bonds maturing on December 1, 2028, December 1, 2046 and December 1, 2051 are subject to mandatory sinking fund redemption. The Series 2018B Bonds maturing on December 1, 2026, and December 1, 2051 are subject to mandatory sinking fund redemption.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The Series 2015 Bonds, the Series 2016 Bonds, the Series 2017 Bonds, the Series 2018 Bonds, the Series 2019 Bonds and the Series 2022 Bonds are secured by Pledged Revenues on a parity basis. The Series 2018 Bonds were issued at a premium of \$2,502,115 which is being amortized over the life of the bonds. As of December 31, 2023, \$379,110 has been amortized.

Series 2019A and 2019B Senior Limited Property Tax Supported Revenue Bonds

On December 12, 2019 the District issued \$88,275,000 of Senior Limited Property Tax Supported Revenue Bonds Tax-Exempt, Series 2019A, and \$45,165,000 Senior Limited Property Tax Supported Revenue Bonds Taxable, Series 2019B (the “Series 2019 Bonds”) to (i) repay Developer Advances and/or Reimbursement Notes, (ii) pay cost of issuance relating to the Series 2019 Bonds and (iii) pay for bond insurance. The Series 2019 Bonds mature on December 1, 2051 and bear interest at rates between 2.170% and 5.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2020. The Series 2019 Bonds maturing on or after December 1, 2030 are subject to redemption prior to maturity at the option of the District commencing on December 1, 2029, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date.

The Series 2019A Bonds maturing on December 1, 2046 and December 1, 2051 are subject to mandatory sinking fund redemption. The Series 2019B Bonds maturing on December 1, 2051 are subject to mandatory sinking fund redemption.

The Series 2015 Bonds, the Series 2016 Bonds, the Series 2017 Bonds, the Series 2018, the Series 2019 Bonds and the Series 2022 Bonds are secured by Pledged Revenues on a parity basis. The Series 2019 Bonds were issued at a premium of \$11,212,076 which is being amortized over the life of the bonds. As of December 31, 2023, \$1,494,944 has been amortized.

Series 2022A Senior Limited Property Tax Supported Revenue Bonds

On December 12, 2022 the District issued \$44,000,000 of Senior Limited Property Tax Supported Revenue Bonds Tax-Exempt, Series 2022A, (the “Series 2022 Bonds”) to (i) repay Developer Advances and/or Reimbursement Notes, (ii) pay cost of issuance relating to the Series 2022 Bonds and (iii) pay for bond insurance. The Series 2022 Bonds mature on December 1, 2051 and bear interest at rates between 4.25% and 5.00%, payable semiannually on each June 1 and December 1, commencing on June 1, 2023. The Series 2022 Bonds maturing on or after December 1, 2030 are subject to redemption prior to maturity at the option of the District commencing on December 1, 2032, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date.

The Series 2022 Bonds maturing on December 1, 2047 and December 1, 2051 are subject to mandatory sinking fund redemption.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The Series 2015 Bonds, the Series 2016 Bonds, the Series 2017 Bonds, the Series 2018, the Series 2019 Bonds and the Series 2022 Bonds are secured by Pledged Revenues on a parity basis. The Series 2022 Bonds were issued at a premium of \$1,766,782 which is being amortized over the life of the bonds. As of December 31, 2023, \$63,099 has been amortized.

Series 2020 Second Lien Subordinate Limited Property Tax Supported Revenue Bonds

On September 17, 2020 the District issued \$122,000,000 of Second Lien Subordinate Limited Property Tax Supported Revenue Bonds Series 2020, (the “Series 2020 Bonds”) to (i) currently refund all of the \$50,000,000 outstanding principal amount of the Series 2014 Second Lien Subordinate Bonds; (ii) fund the Tender Price associated with the tender of \$39,500,000 principal amount of the Series 2013 Subordinate Bonds (the “Tendered Series 2013 Subordinate Bonds”); (iii) partially fund the Series 2020 Bonds Reserve Account established in the Second Lien Subordinate Indenture for the benefit of the Series 2020 Second Lien Subordinate Bonds; (iv) deposit funds into the Second Lien Subordinate Bond Fund to be used to pay interest due on the Series 2020 Second Lien Subordinate Bonds on June 1, 2021; (v) deposit funds into the Subordinate Bond Fund established under the Subordinate Indenture to be used to pay interest due on the Outstanding Series 2013 Subordinate Bonds on June 1, 2021; (vi) repay certain Developer Advances; and (vii) pay costs of issuance related to the Series 2020 Second Lien Subordinate.

The Series 2020 Bonds are made up of two term bonds maturing on December 1, 2030 and December 1, 2051 and bear interest at rate 5.95% payable semiannually on each June 1 and December 1, commencing on December 1, 2020. The Series 2020 Bonds maturing on December 1, 2030 are not subject to redemption prior to maturity at the option of the District. The Series 2020 Bonds maturing on December 1, 2051 are subject to redemption prior to maturity at the option of the District commencing on December 1, 2030, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus accrued interest thereon to the redemption date and a redemption premium of .25% between December 1, 2030 and November 30, 2031.

The Series 2020 are secured by Second Lien Subordinate Revenues and which is also subordinate to the Series 2013 Bonds. which pledge is subordinate to the Series 2015 Bonds, the Series 2016 Bonds, the Series 2017 Bonds, the Series 2018, the Series 2019 Bonds and the Series 2022 Bonds. The Series 2020 Bonds were issued at a discount of \$850,662 which is being amortized over the life of the bonds. As of December 31, 2023, \$85,065 has been amortized.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Advance Refunding of Debt

The Series 2013 Bonds were issued to provide resources to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$15,535,000 of Junior Subordinate Limited Property Tax Supported Revenue Bonds, Series 2005 and \$28,930,000 of Subordinate Limited Property Tax Supported Revenue Bonds, Series 2003A and 2003B. As a result, the refunded bonds are considered to be defeased, and the liabilities have been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,190,767. This amount is recorded as a deferred outflow and is being amortized over the remaining life of the new debt issued. The refunding resulted in an economic gain of \$2,376,385 and an increase of \$23,603,032 in future debt service requirements.

The Series 2015 Bonds were issued to provide resources to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the Series 2005 Bonds, the Series 2009 Bonds and the Series 2011A Bonds. As a result, the refunded bonds are considered to be defeased and the liabilities have been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$29,202,986. This amount is recorded as a deferred outflow and is being amortized over the remaining life of the old debt issued. The refunding resulted in an economic gain of \$33,416,335 and an increase of \$84,972,084 in future debt service requirements.

The Series 2020 Bonds were issued to provide resources to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments for a portion of the Series 2013 Bonds and all of the Series 2014 Bonds. As a result, the refunded bonds are considered to be defeased and the liabilities have been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$3,071,412. This amount is recorded as a deferred outflow and is being amortized over the remaining life of the old debt issued. The refunding resulted in an economic gain of \$15,215,146 and a decrease of \$5,538,825 in future debt service requirements.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The following is a summary of the annual long-term debt principal and interest requirements for the District's outstanding Limited Property Tax Supported Revenue Bonds.

	Principal	Interest	Total Debt Service
2024	\$ 12,385,000	\$ 30,819,779	\$ 43,204,779
2025	13,410,000	30,296,779	43,706,779
2026	15,785,000	29,700,480	45,485,480
2027	16,475,000	29,008,129	45,483,129
2028	17,205,000	28,279,844	45,484,844
2029-2033	98,510,000	128,916,061	227,426,061
2034-2038	124,210,000	103,228,676	227,438,676
2039-2043	157,510,000	69,922,686	227,432,686
2044-2048	136,880,000	27,210,809	164,090,809
2049-2051	37,425,000	4,021,865	41,446,865
	<u>\$ 629,795,000</u>	<u>\$ 481,405,107</u>	<u>\$ 1,111,200,107</u>

Tax Exempt Subordinate Reimbursement Revenue Note, Series 2022

On March 30, 2022, the District issued a \$55,000,000 Tax Exempt Subordinate Reimbursement Revenue Note, Series 2022 ("2022 Note") which was issued under a Supplement to Third Amended and Restated Reimbursement Agreement for In-Tract Infrastructure with Stapleton Land, LLC, and Lapis Investment Business Trust ("Lapis"), a Nevada Trust. The 2022 Note was issued to (a) repay Developer Advances not memorialized as notes under the Agreement in the outstanding principal amount of \$40,768,978.57, together with accrued interest thereon, (b) repay the District's Tax-Exempt Subordinate Reimbursement Revenue Note, In-Tract Series 2015A, which was outstanding in the principal amount of \$12,469,140, together with all accrued interest thereon, and (c) pay costs of issuance of the 2022 Note. The 2022 Note bears interest at 8% per annum and compounds annually on each payment date to the extent interest is not paid when due. Interest is payable annually on December 15 commencing on December 15, 2022.

Principal is due on the Note annually on each December 15 according to a set amortization schedule, commencing on December 15, 2027. The 2022 Note matures on December 15, 2051.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The 2022 Note may be repaid at any time before December 30, 2023 (the “Make-Whole Date”) in full or in part at a price equal to the absolute sum of (1) any accrued interest, (2) plus remaining scheduled interest through and including the Make-Whole Date, and (3) plus the principal amount of the 2022 Note then outstanding (whether in full or in part); provided that up to \$10,000,000 in principal amount of the 2022 Note may be repaid without penalty any time after December 30, 2022 with ten days prior written notice to Lapis. After the Make-Whole Date, the 2022 Note may be repaid in whole or in part without penalty with ten (10) days prior written notice to Lapis. Subsequent to year end the District paid the note in full. See Note

Developer Obligations

Developer Advances

Forest City Realty Trust, Inc., through an affiliate, Stapleton Land LLC (the “Developer”) has entered into various reimbursement agreements identified below under which funds are advanced to the District for process of construction costs including interest, and for debt service payments on certain outstanding bonds should Pledged Revenues not be available. Each type of advance is described below. As of December 31, 2023, the District had \$600,774 of outstanding developer advances and accrued interest of \$5,106. Advances are to be repaid from available Pledged Revenues (as defined in various bond indentures and reimbursement agreements), proceeds from future bond issues, or from funds available to the District not otherwise appropriated or obligated for any future purpose in any fiscal year at the District’s discretion until all notes and interest accrued thereon have been discharged.

Projects and Interest on Advances

The District has entered into the Third Amended and Restated Reimbursement Agreement for In-Tract Infrastructure dated December 3, 2009 (as previously defined the “Reimbursement Agreement”) and the Second Amended and Restated Reimbursement Agreement for Trunk Infrastructure dated February 28, 2013 with Under the terms of these agreements if available revenues are insufficient to fund construction or operating costs, the Developer agrees to make Developer Advances to fund such costs. Advances made under the Reimbursement Agreement accrue interest at prevailing market rates or 8.5%, subject to appropriate confirmation of the prevailing market rate for tax-exempt advances and 9.5% for taxable advances. Interest is due each June 15 and December 15 commencing June 15, 2010. The Agreements shall terminate April 30, 2041 or on the date of repayment of all amounts due and owing for Advances, whichever date occurs last.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Advances for Bond Interest

The District has entered into an Amended and Restated Reimbursement Agreement for Subordinate Bonds (In-Tract Infrastructure) dated May 1, 2013 as amended July 15, 2014. Under the terms of this subordinate agreement, if sufficient funds are not available to the District from Pledged Revenues, the Developer has the discretion to advance the funds necessary for the District to pay debt service on the Subordinate Bonds and the Second Lien Subordinate Bonds. Advances accrue interest at the same rate as the bonds or loans for which the advance is made, which is between 6.875% and 7.25%.

Advances and accrued interest are payable on December 15 of each year from pledged revenues, as defined in the Senior Indenture, available for repayment of Junior Lien Obligations in the Junior Lien Obligations Fund, if not pledged to other obligations, and from other funds available to the District not otherwise appropriated or obligated for any current or future purposes in any fiscal year, in the District's discretion. The agreement terminates May 1, 2053 or the date of repayment of all amounts due and owing for advances, whichever date occurs last.

The following is an analysis of changes in long-term debt related to infrastructure for the period ending December 31, 2023:

	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>	<u>Current</u> <u>Portion</u>
Limited Property Tax Supported Revenue General Obligation Bonds:					
Series 2013 Bonds	\$ 8,455,000	\$ -	\$ 230,000	\$ 8,225,000	\$ 245,000
Series 2015 Bonds	211,950,000	-	5,120,000	206,830,000	5,380,000
Series 2016 Bonds	25,100,000	-	1,125,000	23,975,000	1,175,000
Series 2017 Bonds	60,880,000	-	1,060,000	59,820,000	1,095,000
Series 2018 Bonds	37,300,000	-	950,000	36,350,000	970,000
Series 2019 Bonds	131,550,000	-	2,955,000	128,595,000	3,040,000
Series 2020 Bonds	122,000,000	-	-	122,000,000	480,000
Series 2022 bonds	44,000,000	-	-	44,000,000	-
2022 Note	55,000,000	-	10,000,000	45,000,000	-
Developer Obligations:					
Developer advances	<u>600,774</u>	<u>4,170,760</u>	<u>3,665,039</u>	<u>1,106,495</u>	<u>-</u>
Total	<u>696,835,774</u>	<u>4,170,760</u>	<u>25,105,039</u>	<u>675,901,495</u>	<u>12,385,000</u>
Original issue discount	(858,732)		(55,538)	(803,194)	-
Original issue premium	<u>41,376,996</u>	<u>-</u>	<u>1,629,995</u>	<u>39,747,001</u>	<u>-</u>
	<u>\$ 737,354,038</u>	<u>\$ 4,170,760</u>	<u>\$ 26,679,496</u>	<u>\$ 714,845,302</u>	<u>\$ 12,385,000</u>

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Debt Authorization

As of December 31, 2023, the District had remaining voted debt authorization of approximately \$4,774,052,425. Per the District's Service Plan, the District cannot issue "New Money Obligations" (as defined in the Service Plan) in excess of \$679,415,000 for the purpose of financing In-Tract infrastructure and \$706,905,000 for Trunk infrastructure.

Note 5: Intergovernmental Agreement

The District and Westerly Creek entered into an Intergovernmental Financing and Construction Agreement ("IGA") dated April 30, 2001. Per the IGA, the District will finance the construction costs for the In-Tract and Trunk Infrastructure in accordance with the Service Plan and will be responsible for the completion of the Infrastructure. Westerly Creek agreed to certify a mill levy on all taxable property within the Westerly Creek District of 48.5 mills (as adjusted) to repay all obligations and construction costs and 1.5 mills (as adjusted) to fund administrative and operating expenses of the Westerly Creek District and the District. Westerly Creek agreed to pay to the District any tax revenue it receives.

Note 6: Commitments and Contingencies

As of December 31, 2023, the District has unexpended construction related contract commitments of approximately \$6,136,191.

The City of Denver assesses and bills property owners a drainage fee, based on the properties' size of impervious surface Area (i.e. roads, sidewalks, parking lots, etc.). The drainage fees are billed on a semi-annual basis. In 2024, the District was notified by the City that it is responsible of unpaid drainage fees, non-payment of which could result in liens being filed against the subject properties. The District has performed an evaluation of each unpaid drainage fee charge to determine its Potential liability and as a result accrued drainage fees payable in the amount of \$502,997 in its General Fund as of December 31, 2023.

Note 7: Related Party

Two 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.

The Developer oversees the development of infrastructure for the District through the Management Services Agreement dated April 30, 2001. Fees for services under the agreement are approved through Individual Facilities Development Agreements signed by the District, the Developer and City and County of Denver. This expense is included as a part of the capital expenditure amount.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

At December 31, 2023, the District owed the Developer \$0 related to these services. In addition, the Developer may pay costs on behalf of the District, and the District then reimburses the Developer for these costs. All required accounting and management services are provided by SDC Services, an affiliate of Stapleton Development Corp. A portion of these expenses related to capital improvements are included in capital expenditures amount. During 2023, interest of \$24,558 was paid to the Developer and affiliated entities.

Note 8: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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.

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.

Note 9: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

During 2016, the District purchased a pollution liability insurance policy. Paid premiums cover a ten-year period from 2016 and as such are accounted for as a prepaid asset that the District is amortizing until the end of that period, April 20, 2026. This policy provides insurance up to \$25 million for claims from pre-existing pollution conditions and up to \$25 million for claims on new pollution conditions on District property and is in place to protect the District. The City and County of Denver is principally responsible for remediation of the former Stapleton International Airport and carries its own pollution liability insurance policy. The prepaid balance as of December 31, 2023, is \$57,349.

Note 10: Interfund and Operating Transfers

The transfer of \$769,711 from the General Fund to the Debt Service Fund was transferred for the purpose of transferring Specific Ownership Taxes transferred from Westerly Creek Metropolitan District.

Note 11: Subsequent Event

On January 23, 2024, the District issued \$58,125,000 Senior Limited Property Tax Supported Revenue Bonds Series 2024A ("Series 2024 A Bonds") for the purpose of (i) repay certain Developer Advances and the 2022 Note, (ii) fund costs of the Series 2024A Improvement Project, and (iii) pay costs of issuance relating to the Series 2024A Senior Bonds. The Series 2024A Bonds bear interest at rates ranging from 4.25% to 5%, payable semi-annually on June 1 and December 1, commencing June 1, 2024. The Series 2024A Bonds mature on December 1, 2051.

Note 12: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

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

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds payable and accrued bond/loan interest payable are not due and payable in the current period and, therefore, are not in the funds.

PARK CREEK METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

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

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 3) governmental funds report developer advances, loan and/or bond proceeds as revenue; and,
- 4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

PARK CREEK METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Payments from Westerly Creek	\$ 45,948,337	\$ 45,315,550	\$ (632,787)
Interest subsidy income	570,000	-	(570,000)
Other income	<u>6,000</u>	<u>1,560,878</u>	<u>1,554,878</u>
Total Revenues	<u>46,524,337</u>	<u>46,876,428</u>	<u>352,091</u>
EXPENDITURES			
Principal Bonds	9,295,000	11,440,000	(2,145,000)
Interest expense Bonds	49,000,000	31,178,901	17,821,099
Interest expense Lapis	-	3,737,454	(3,737,454)
Principal Lapis note	-	10,000,000	(10,000,000)
Developer obligations principal	-	2,523,018	(2,523,018)
Bond issuance costs	-	(1,566)	1,566
Payments to Westerly Creek	<u>463,711</u>	<u>456,637</u>	<u>7,074</u>
Total Expenditures	<u>58,758,711</u>	<u>59,334,444</u>	<u>(575,733)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,234,374)	(12,458,016)	(223,642)
OTHER FINANCING SOURCES (USES)			
Revenue Bonds	49,631,080	-	(49,631,080)
Premium	2,500,000	-	(2,500,000)
Payment to escrow agent	(40,770,000)	-	40,770,000
Transfers in (out)	<u>700,000</u>	<u>769,711</u>	<u>69,711</u>
Total Other Financing Sources (Uses)	<u>12,061,080</u>	<u>769,711</u>	<u>(11,291,369)</u>
NET CHANGE IN FUND BALANCE	(173,294)	(11,688,305)	(11,515,011)
FUND BALANCE:			
BEGINNING OF YEAR	<u>2,740,800</u>	<u>14,219,101</u>	<u>11,478,301</u>
END OF YEAR	<u>\$ 2,567,506</u>	<u>\$ 2,530,796</u>	<u>\$ (36,710)</u>

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

PARK CREEK METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Facility fees	\$ 827,000	\$ 779,000	\$ (48,000)
Damage and other fees	41,840	44,009	2,169
DURA bond draws/TIF Revenue	7,000,000	5,438,496	(1,561,504)
Aurora use tax	700,000	683,580	(16,420)
Other income	<u>25,000</u>	<u>74,873</u>	<u>49,873</u>
Total Revenues	<u>8,593,840</u>	<u>7,019,958</u>	<u>(1,573,882)</u>
EXPENDITURES			
Capital expenditures	26,071,388	14,188,309	11,883,079
Damage repairs	5,000	7,134	(2,134)
Bond issuance costs	15,000	4,000	11,000
Repay developer obligations - principal	-	1,142,021	(1,142,021)
Repay developer advances - interest	<u>1,000,000</u>	<u>24,558</u>	<u>975,442</u>
Total Expenditures	<u>27,091,388</u>	<u>15,366,022</u>	<u>11,725,366</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(18,497,548)</u>	<u>(8,346,064)</u>	<u>10,151,484</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	20,000,000	4,170,760	(15,829,240)
Transfers in (out)	<u>1,000</u>	<u>(36,454)</u>	<u>(37,454)</u>
Total Other Financing Sources (Uses)	<u>20,001,000</u>	<u>4,134,306</u>	<u>(15,866,694)</u>
NET CHANGE IN FUND BALANCE	1,503,452	(4,211,758)	(5,715,210)
FUND BALANCE:			
BEGINNING OF YEAR	<u>3,449,863</u>	<u>6,529,474</u>	<u>3,079,611</u>
END OF YEAR	<u>\$ 4,953,315</u>	<u>\$ 2,317,716</u>	<u>\$ (2,635,599)</u>

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