

INDY OAK TOD METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2024

with

Independent Auditor's Report

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Board of Directors  
Indy Oak TOD Metropolitan District  
Jefferson County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Indy Oak TOD Metropolitan District (the “District”), as of and for the year ended December 31, 2024, 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 Indy Oak TOD Metropolitan District as of December 31, 2024 , 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.

Correction of Error

As discussed in Note 1 to the financial statements, an error resulting in the overstatement of expenses in the general fund for 2023, was discovered by the District during the current year. Accordingly, an adjustment has been made to the beginning net position to correct the error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Other Matters

### Required Supplemental Information

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

### Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental 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 supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wipfli LLP*

Wipfli LLP  
Denver, Colorado

July 29, 2025

**Indy Oak TOD Metropolitan District**

BALANCE SHEET/STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2024

	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Net Position
<b>ASSETS</b>						
Cash and investments	\$ 402,968	\$ -	\$ -	\$ 402,968	\$ -	\$ 402,968
Cash and investments - restricted	19,730	57,736	365,935	443,401	-	443,401
Receivable - County Treasurer	1,542	1,186	-	2,728	-	2,728
Property taxes receivable	277,340	226,088	-	503,428	-	503,428
Homeowner receivable	2,560	-	-	2,560	-	2,560
Prepaid expenses	9,820	-	-	9,820	-	9,820
Capital assets not being depreciated	-	-	-	-	3,870,065	3,870,065
Total Assets	713,960	285,010	365,935	1,364,905	3,870,065	5,234,970
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred loss on refunding	-	-	-	-	150,141	150,141
Total Deferred Outflows of Resources	-	-	-	-	150,141	150,141
Total Assets and Deferred Outflows of Resources	\$ 713,960	\$ 285,010	\$ 365,935	\$ 1,364,905		
<b>LIABILITIES</b>						
Accounts payable	\$ 27,087	\$ -	\$ -	\$ 27,087	-	27,087
Accrued interest	-	-	-	-	20,680	20,680
Long-term liabilities:						
Due within one year	-	-	-	-	21,000	21,000
Due in more than one year	-	-	-	-	5,397,877	5,397,877
Total Liabilities	27,087	-	-	27,087	5,439,557	5,466,644
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property taxes	277,340	226,088	-	503,428	-	503,428
Total Deferred Inflows of Resources	277,340	226,088	-	503,428	-	503,428
<b>FUND BALANCES/NET POSITION</b>						
Fund Balances:						
Nonspendable:						
Prepays	9,820	-	-	9,820	(9,820)	-
Restricted:						
Emergencies	19,730	-	-	19,730	(19,730)	-
Debt service	-	58,922	-	58,922	(58,922)	-
Capital projects	-	-	365,935	365,935	(365,935)	-
Unassigned	379,983	-	-	379,983	(379,983)	-
Total Fund Balances	409,533	58,922	365,935	834,390	(834,390)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 713,960	\$ 285,010	\$ 365,935	\$ 1,364,905		
Net Position:						
Net investment in capital assets					(1,527,812)	(1,527,812)
Restricted for:						
Emergencies					19,730	19,730
Debt service					38,242	38,242
Capital projects					365,935	365,935
Unrestricted					518,944	518,944
Total Net Position					\$ (584,961)	\$ (584,961)

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

## Indy Oak TOD Metropolitan District

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS For the Year Ended December 31, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>						
Accounting and audit	\$ 23,300	\$ -	\$ -	\$ 23,300	\$ -	\$ 23,300
Insurance	4,846	-	-	4,846	-	4,846
Legal	30,769	-	-	30,769	-	30,769
Management fees	55,801	-	-	55,801	-	55,801
Miscellaneous expenses	7,886	-	-	7,886	-	7,886
Pet waste pickup	464	-	-	464	-	464
Snow removal	38,233	-	-	38,233	-	38,233
Landscape costs	48,207	-	-	48,207	-	48,207
Water and sewer	115,415	-	-	115,415	-	115,415
Trash removal	31,882	-	-	31,882	-	31,882
Utilities	3,779	-	-	3,779	-	3,779
Treasurer's fees	4,222	3,248	-	7,470	-	7,470
Loan interest	-	244,806	-	244,806	10,005	254,811
Loan principal	-	10,000	-	10,000	(10,000)	-
Trustee fees	-	3,000	-	3,000	-	3,000
Interest on developer advances	-	-	-	-	94,743	94,743
	<u>364,804</u>	<u>261,054</u>	<u>-</u>	<u>625,858</u>	<u>94,748</u>	<u>720,606</u>
<b>PROGRAM REVENUES</b>						
Homeowner fees	<u>156,480</u>	<u>-</u>	<u>-</u>	<u>156,480</u>	<u>-</u>	<u>156,480</u>
	<u>156,480</u>	<u>-</u>	<u>-</u>	<u>156,480</u>	<u>-</u>	<u>156,480</u>
Net Program Income (Expenses)	(208,324)	(261,054)	-	(469,378)	(94,748)	(564,126)
<b>GENERAL REVENUES</b>						
Property taxes	281,437	216,491	-	497,928	-	497,928
Specific ownership taxes	17,958	13,814	-	31,772	-	31,772
Interest and other income	<u>56,451</u>	<u>4,534</u>	<u>-</u>	<u>60,985</u>	<u>-</u>	<u>60,985</u>
	<u>355,846</u>	<u>234,839</u>	<u>-</u>	<u>590,685</u>	<u>-</u>	<u>590,685</u>
NET CHANGES IN FUND BALANCES	147,522	(26,215)	-	121,307	(121,307)	
CHANGE IN NET POSITION					26,559	26,559
<b>FUND BALANCES/NET POSITION:</b>						
BEGINNING OF YEAR RESTATED GENERAL	<u>262,011</u>	<u>85,137</u>	<u>365,935</u>	<u>713,083</u>	<u>(1,324,603)</u>	<u>(611,520)</u>
END OF YEAR	<u>\$ 409,533</u>	<u>\$ 58,922</u>	<u>\$ 365,935</u>	<u>\$ 834,390</u>	<u>\$ (1,419,351)</u>	<u>\$ (584,961)</u>

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

## Indy Oak TOD Metropolitan District

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

For the Year Ended December 31, 2024

	Original & Final		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 293,915	\$ 281,437	\$ (12,478)
Specific ownership taxes	23,573	17,958	(5,615)
Interest and other income	50	56,451	56,401
Homeowner fees	156,480	156,480	-
Total Revenues	474,018	512,326	38,308
<b>EXPENDITURES</b>			
Accounting and audit	19,000	23,300	(4,300)
Election expense	-	-	-
Insurance	4,500	4,846	(346)
Legal	60,000	30,769	29,231
Management fees	74,000	55,801	18,199
Miscellaneous expenses	8,000	7,886	114
Pet waste pickup	3,000	464	2,536
Snow removal	60,000	38,233	21,767
Other maintenance	33,500	-	33,500
Landscape costs	55,000	48,207	6,793
Water and sewer	95,000	115,415	(20,415)
Trash removal	33,000	31,882	1,118
Utilities	10,000	3,779	6,221
Treasurer's fees	4,409	4,222	187
Reserve	100,000	-	100,000
Contingency	48,593	-	48,593
Emergency reserve	16,782	-	16,782
Total Expenditures	624,784	364,804	259,980
<b>NET CHANGE IN FUND BALANCE</b>	(150,766)	147,522	298,288
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR RESTATED	150,766	262,011	111,245
END OF YEAR	\$ -	\$ 409,533	\$ 409,533

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

# INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2024

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Indy Oak TOD Metropolitan District (“District”), located in City of Lakewood, Jefferson County, 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 November 28, 2017, as a quasi-municipal corporation established under the State of Colorado Special District Act. The District operates pursuant to a service plan approved by the City of Lakewood (the “City”) on September 25, 2017 (the “Service Plan”). The District was established to provide for the design, acquisition, construction, installation, and financing of certain water, sanitation, street, safety protection, park and recreation, transportation and mosquito control improvements and services and provide covenant enforcement within the District. The District is responsible for operating and maintaining park and recreation improvements and is also required to undertake the operations and maintenance responsibilities for the public improvements that are not conveyed to the City or other governmental entities. 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.

# INDY OAK TOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

### Basis of Presentation

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

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

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

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

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

# INDY OAK TOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

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.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and 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

Budgets are adopted on a non-GAAP basis for the governmental funds. 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. Total appropriations were amended in the Debt Service Fund.

### Assets, Liabilities and Net Position

#### Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2024, 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 short-term investments with maturities of three months or less from the date of acquisition are considered to be cash on hand. Investments for the government are reported at net asset value.

# INDY OAK TOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

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.

### 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 net 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 has no items that qualify for reporting in this category.

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

### Capital Assets

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 \$5,000 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 acquisition 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 capital 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.

# INDY OAK TOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

### 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 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

### 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 Equity

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

### 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 General Fund relates to prepaid expenses.

### 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 \$19,730 of the General Fund balance has been reserved in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$58,922 is restricted for the payment of the debt service costs associated with the Series 2023 Loan (see Note 4).

# INDY OAK TOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

The restricted fund balance in the Capital Projects Fund in the amount of \$365,935 is restricted for the payment of the costs for capital improvements within the District.

### 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.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive classification 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 of 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.

### Restated Beginning Fund Balance and Net Position

Beginning Fund Balance in the General Fund and beginning net position was restated by \$20,011 due to a refund of legal fees during 2023 which was not properly reflected in 2023.

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2024

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

Note 2: Cash and Investments

As of December 31, 2024, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 402,968
Cash and investments - restricted	<u>443,401</u>
Total	<u>\$ 846,369</u>

Cash and investments as of December 31, 2024, consist of the following:

Deposits with financial institutions	\$ 49,723
COLOTRUST	<u>796,646</u>
Total	<u>\$ 846,369</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

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 investments are not required to be categorized within the fair value hierarchy. This investment’s value for COLOTRUST is calculated using the net asset value method (NAV) per share.

# INDY OAK TOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

### Credit Risk

The District has not adopted a formal investment policy; however the District follows state statutes regarding 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, 2024, the District had the following investment:

### COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint ventures established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. Colotrust operates similarly to a money market fund with each share maintaining a value of \$1.00. Colotrust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to COLOTRUST. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2024, the District had \$796,646 invested in COLOTRUST.

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2024

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2024, follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2024</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ 3,870,065	\$ -	\$ -	\$ 3,870,065
Total capital assets not being depreciated	<u>3,870,065</u>	<u>-</u>	<u>-</u>	<u>3,870,065</u>
Government type assets, net	<u>\$ 3,870,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,870,065</u>

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2024, is as follows:

Taxable (Converting to Tax-Exempt) Refunding Loan, Series 2023

On July 27, 2023, the District entered into a Loan Agreement with Zions Bankcorporation N.A. d/b/a Vectra Bank Colorado (“Lender”) to incur a Taxable (Convertible to Tax-Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding and Improvement Loan in the amount of \$3,804,000, Series 2023 (“Series 2023 Loan”) for the purpose of repaying the Series 2020A Bonds and the 2020B Bonds, and paying the costs of issuance. The Series 2023 Loan bears interest at the taxable rate of 6.33%, which is anticipated to convert to a tax-exempt rate of 5.06% on the Conversion Date. Interest payments on the Series 2023 Loan are due on each June 1 and December 1, commencing on December 1, 2023. Principal payments on the Series 2023 Loan are due on each December 1, commencing on December 1, 2023. The Series 2023 Loan matures on December 1, 2053.

At its option the District may prepay all or any part of the principal of the Series 2023 Loan upon payment to the Bank of the principal amount so prepaid and accrued interest thereon to the prepayment date, on and after December 3, 2026. The District may not prepay the Series 2023 Loan, with the exception of annual prepayment of the Series 2023 Loan with excess debt service mill levy revenues, prior to, and including December 2, 2026.

The Series 2023 Loan was issued in order to fully refund the Districts' prior 2020A and 2020B Bonds, resulting in a net present value loss of \$182,779. The refunding was undertaken to allow the District to lower its mill levy.

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2024

Events of Default under the 2023 Loan include but are not limited to the following as more further described in the Loan Agreement (a) Failure by the District to impose the Required Mill Levy; (b) On and after the Unlimited Tax Receipt Date, the District fails to pay the principal of, premium if any, or interest on the Bonds when due; (c) the District commences any case, proceeding, or other action 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. Acceleration of payments shall not be an available remedy for an Event of Default.

The following is an analysis of changes in long-term debt for the period ending December 31, 2024:

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024	Current Portion
Direct Borrowing					
Series 2023 Loan	\$ 3,804,000	\$ -	\$ 10,000	\$ 3,794,000	\$ 21,000
Developer advance	1,180,932	-	-	1,180,932	-
Developer advance interest	349,202	94,743	-	443,945	-
Total	<u>\$ 5,334,134</u>	<u>\$ 94,743</u>	<u>\$ 10,000</u>	<u>\$ 5,418,877</u>	<u>\$ 21,000</u>

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2023 Loan.

	Principal	Interest	Total
2025	\$ 21,000	\$ 206,956	\$ 227,956
2026	39,000	193,565	232,565
2027	44,000	191,565	235,565
2028	50,000	189,826	239,826
2029	53,000	186,742	239,742
2030-2034	359,000	886,845	1,245,845
2035-2039	545,000	776,703	1,321,703
2040-2044	745,000	616,768	1,361,768
2045-2049	972,000	402,562	1,374,562
2050-2053	966,000	127,046	1,093,046
	<u>\$ 3,794,000</u>	<u>\$ 3,778,578</u>	<u>\$ 7,572,578</u>

# INDY OAK TOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

### Debt Authorization

On November 7, 2017, a majority of the qualified electors of the District authorized the issuance of indebtedness in the amount not to exceed \$35,000,000 for public improvements. Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$5,000,000. As of December 31, 2024, the District had \$1,044,000 remaining authority under the Service Plan.

### Note 5: Other Agreements

#### Facilities Funding and Acquisition Agreement

The District and Century at Oak Street, LLC ("Developer") entered into a Facilities Funding and Acquisition Agreement dated December 14, 2017 with an effective date of November 28, 2017, (the "FFAA"). Pursuant to the FFAA, the Developer agrees to make advances, not to exceed \$5,000,000 to the District for the purpose of funding organization expenses, construction of public improvements and the acquisition of public improvements constructed by the Developer. The District agrees to repay these advances, together with accrued interest at a rate of 8% per annum. The FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through a future bond issuance. The FFAA further provides that if the District has not repaid or reimbursed the Developer for any organizational expenses, construction related expenses and/or verified costs by December 31, 2048, any amount of principal and accrued interest outstanding under the FFAA on such date will be deemed forever discharged and satisfied in full. At December 31, 2024, principal and interest due under this agreement was \$1,180,932 and \$443,945 respectively.

#### Facilities Funding and Acquisition Agreement

The District and Century at Pearson Grove, LLC ("Pearson Grove Developer") entered into a Facilities Funding and Acquisition Agreement dated March 30, 2020 with an effective date of November 28, 2017 (the "Pearson Grove FFAA"). Pursuant to the Pearson Grove FFAA, the Pearson Grove Developer agrees to make advances, not to exceed \$5,000,000 to the District for the purpose of funding organization expenses, construction of public improvements, and the acquisition of public improvements constructed by the Pearson Grove Developer. The District agrees to repay these advances, together with accrued interest at a rate of 8% per annum. The Pearson Grove FFAA does not constitute debt, but is an annual appropriations agreement intended to be repaid through a future bond issuance. The Pearson Grove FFAA further provides that if the District has not repaid or reimbursed the Pearson Grove Developer for any organizational expenses, construction related expenses, and/or verified costs by December 31, 2048, any amount of principal and accrued interest outstanding under the Pearson Grove FFAA on such date will be deemed forever discharged and satisfied in full. At December 31, 2024, no amount was due under this agreement.

# INDY OAK TOD METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

### Note 6: 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.

On November 7, 2017, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

### Note 7: 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.

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.

INDY OAK TOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2024

Note 8: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

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

- 1) Capital improvements 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, developer advances payable and accrued interest on bonds and developer advances are not due and payable in the current period and, therefore, are not in the funds.

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 progress 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 in the statement of activities; and,
- 3) governmental funds report developer advances and/or bond proceeds as revenue and report interest as expenditures; however, these are reported as changes to long-term liabilities on the government-wide financial statements.

## SUPPLEMENTAL INFORMATION

## Indy Oak TOD Metropolitan District

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

For the Year Ended December 31, 2024

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>				
Property taxes	\$ 226,090	\$ 226,090	\$ 216,491	\$ (9,599)
Specific ownership taxes	18,081	13,000	13,814	814
Interest and other income	-	5,000	4,534	(466)
	<u>244,171</u>	<u>244,090</u>	<u>234,839</u>	<u>(9,251)</u>
<b>EXPENDITURES</b>				
Loan principal	10,000	10,000	10,000	-
Loan interest	244,806	244,806	244,806	-
Trustee fees	4,000	11,803	3,000	8,803
Treasurer's fees	<u>3,391</u>	<u>3,391</u>	<u>3,248</u>	<u>143</u>
	<u>262,197</u>	<u>270,000</u>	<u>261,054</u>	<u>8,946</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(18,026)</b>	<b>(25,910)</b>	<b>(26,215)</b>	<b>(305)</b>
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	<u>86,410</u>	<u>85,137</u>	<u>85,137</u>	<u>-</u>
END OF YEAR	<u>\$ 68,384</u>	<u>\$ 59,227</u>	<u>\$ 58,922</u>	<u>\$ (305)</u>

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

**Indy Oak TOD Metropolitan District**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2024

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest and other income	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Capital improvements	349,302	-	349,302
Total Expenditures	349,302	-	349,302
NET CHANGE IN FUND BALANCE	(349,302)	-	349,302
FUND BALANCE:			
BEGINNING OF YEAR	371,994	365,935	(6,059)
END OF YEAR	\$ 22,692	\$ 365,935	\$ 343,243

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

## Indy Oak TOD Metropolitan District

SUMMARY OF ASSESSED VALUATION, MILL LEVY  
AND PROPERTY TAXES COLLECTED  
December 31, 2023

<u>Year Ended December 31,</u>	<b>Prior Year Assessed Valuation for Current Year Property Tax Levy</b>	<u>Mills Levied</u>		<u>Total Property Tax</u>		<b>Percent Collected to Levied</b>
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2018	\$ 352,299	106.000	0.000	\$ 37,344	\$ 14,094	37.74%
2019	\$ 754,730	56.000	55.277	\$ 83,984	\$ 83,984	100.00%
2020	\$ 2,369,065	56.611	55.664	\$ 265,987	\$ 265,987	100.00%
2021	\$ 3,245,283	56.611	55.664	\$ 364,364	\$ 360,775	99.01%
2022	\$ 3,454,618	56.611	55.664	\$ 387,867	\$ 387,868	100.00%
2023	\$ 4,346,943	54.000	57.234	\$ 483,528	\$ 483,528	100.00%
2024	\$ 5,302,170	55.433	42.641	\$ 520,005	\$ 497,928	95.75%
Estimated for year ending December 31, 2025	\$ 5,003,157	55.433	45.189	\$ 503,428		

**NOTE**

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.