

**LEADVILLE URBAN RENEWAL AUTHORITY**  
**Lake County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**

**LEADVILLE URBAN RENEWAL AUTHORITY  
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**BiggsKofford**

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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Board of Commissioners  
**Leadville Urban Renewal Authority**  
Lake County, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Leadville Urban Renewal Authority ("Authority"), a component unit of the City of Leadville, Colorado, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 Authority as of December 31, 2024, the respective changes in financial position, and the 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 the report. We are required to be independent of the Authority 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 Authority'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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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.

### *Other Information*

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
January 20, 2026

## **BASIC FINANCIAL STATEMENTS**

**LEADVILLE URBAN RENEWAL AUTHORITY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 211,261
Receivable from County Treasurer	129,402
Due from the City	3,384
TIF Receivable	588,760
Total Assets	932,807
<b>LIABILITIES</b>	
Accounts Payable	17,279
TIF Agreement - Lake County School District	21,679
TIF Agreements - St. Vincent's Hospital	7,451
TIF Leadville Sanitation District	2,157
TIF Railyard Developer	177,225
Loan Payable - City of Leadville Current	106,245
Noncurrent Liabilities:	
Loan Payable - City of Leadville Noncurrent	105,295
Total Liabilities	437,331
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred TIF Property Tax	588,760
Total Deferred Inflows of Resources	588,760
<b>NET POSITION</b>	
Unrestricted	(93,284)
Total Net Position	\$ (93,284)

See accompanying Notes to Basic Financial Statements.

**LEADVILLE URBAN RENEWAL AUTHORITY  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 278,159	\$ -	\$ 13,809	\$ -	\$ (264,350)
Total Governmental Activities	\$ 278,159	\$ -	\$ 13,809	\$ -	(264,350)
<b>GENERAL REVENUES</b>					
TIF Revenue					351,913
Interest Income					2
Total General Revenues and Transfers					351,915
<b>CHANGES IN NET POSITION</b>					87,565
Net Position - Beginning of Year					(180,849)
<b>NET POSITION - END OF YEAR</b>					\$ (93,284)

See accompanying Notes to Basic Financial Statements.

**LEADVILLE URBAN RENEWAL AUTHORITY  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	General	Total Governmental Funds
<b>ASSETS</b>		
Cash and Investments	\$ 211,261	\$ 211,261
Receivable from County Treasurer	129,402	129,402
Due from the City	3,384	3,384
TIF Receivable	588,760	588,760
Total Assets	\$ 932,807	\$ 932,807
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 17,279	\$ 17,279
TIF Agreement - Lake County School District	21,679	21,679
TIF Agreements - St. Vincent's Hospital	7,451	7,451
TIF Leadville Sanitation District	2,157	2,157
TIF Railyard Developer	177,225	177,225
Loan Payable - City of Leadville Current	106,245	106,245
Total Liabilities	332,036	332,036
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Property Tax	588,760	588,760
Total Deferred Inflows of Resources	588,760	588,760
<b>FUND BALANCES</b>		
Unassigned	12,011	12,011
Total Fund Balances	12,011	12,011
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 932,807	

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Loans Payable - Noncurrent	(105,295)
Net Position of Governmental Activities	\$ (93,284)

See accompanying Notes to Basic Financial Statements.

**LEADVILLE URBAN RENEWAL AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	General	Total Governmental Funds
<b>REVENUES</b>		
TIF Revenue	\$ 351,913	\$ 351,913
City Contributions	13,809	13,809
Interest Income	2	2
Total Revenues	365,724	365,724
<b>EXPENDITURES</b>		
Current:		
Accounting	23,326	23,326
Auditing	7,500	7,500
Banking Fees	10	10
County Treasurer's Fee	2,223	2,223
Legal	13,809	13,809
Tax Reimbursement	295,588	295,588
Total Expenditures	342,456	342,456
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	23,268	23,268
<b>NET CHANGE IN FUND BALANCES</b>	23,268	23,268
Fund Balances - Beginning of Year	(11,257)	(11,257)
<b>FUND BALANCES - END OF YEAR</b>	\$ 12,011	\$ 12,011

Note: Amounts reported for governmental activities on the Statement of Activities are the same as above.

**LEADVILLE URBAN RENEWAL AUTHORITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ 23,268
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Amounts reported for governmental activities in the statement of activities are different because:

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

Change in Current Portion of Loan Payable - City of Leadville	<u>64,297</u>
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Changes in Net Position of Governmental Activities	<u><u>\$ 87,565</u></u>
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**LEADVILLE URBAN RENEWAL AUTHORITY  
GENERAL FUND –  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ -	\$ 2	\$ 2
TIF Revenue	792,855	351,913	(440,942)
City Contributions	40,000	13,809	(26,191)
Total Revenues	<u>832,855</u>	<u>365,724</u>	<u>(467,131)</u>
<b>EXPENDITURES</b>			
Accounting	25,000	23,326	1,674
Auditing	5,000	7,500	(2,500)
Banking Fees	250	10	240
Contingency	89,153	-	89,153
County Treasurer's Fee	7,929	2,223	5,706
Legal	15,000	13,809	1,191
Miscellaneous	1,500	-	1,500
Tax Reimbursement	689,023	295,588	393,435
Total Expenditures	<u>832,855</u>	<u>342,456</u>	<u>490,399</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	23,268	23,268
Fund Balance - Beginning of Year	-	(11,257)	(11,257)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 12,011</u>	<u>\$ 12,011</u>

See accompanying Notes to Basic Financial Statements.

**LEADVILLE URBAN RENEWAL AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Leadville Urban Renewal Authority (the Authority) was formed by a resolution passed by the City Council of the City of Leadville (the City), Colorado, on October 26, 2017, pursuant to the Colorado Urban Renewal Law, Colorado Revised Statutes. The purpose of the Authority is to acquire and develop certain blighted areas in the City to maintain the public welfare.

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

The Authority is considered a component unit of the City since the Authority's tax increment financing indicates financial accountability with the City due to the benefits redevelopment will provide the City. The City Council approves appointments to the Authority. The City Council reviews the Urban Renewal Plans and any changes thereto. Legal counsel is of the opinion that, under state statutes, the City is not liable with respect to the bonds issued by the Authority.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

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

**LEADVILLE URBAN RENEWAL AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

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

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

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

The Authority reports the following major governmental funds:

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

**Budgets**

In accordance with the State Budget Law, the Authority's Board of Commissioners holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The Authority's Board of Commissioners 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.

**LEADVILLE URBAN RENEWAL AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pooled Cash and Investments**

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

**Incremental Property Taxes**

The Authority receives incremental property tax revenue for each of the active Urban Renewal areas. Incremental property tax revenues are the property tax revenues in excess of an amount equal to the ad valorem property taxes produced by the levy at the rates fixed for such year by or for the governing bodies of the various taxing jurisdictions within or overlapping the Urban Renewal area upon a valuation for assessment equal to the property tax base amount. The property tax base amount is certified by the County Assessor as the valuation for assessment of all taxable property within the Urban Renewal area last certified by the County Assessor prior to the adoption of the Urban Renewal plan. The base amount may be proportionately adjusted for general reassessments in accordance with Colorado law.

Property taxes are levied by various taxing entities in each of the project areas by certification to the County Commissioners. 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. Taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the incremental taxes collected monthly to the Authority.

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

The Authority was notified of an updated incremental property tax calculation by the County Assessor that resulted in the Authority recording additional TIF revenue and Due from County Treasurer as of December 31, 2024 of \$129,400, of which \$48,572 and \$80,828 related to calculation adjustments for the years ended December 31, 2023 and 2024, respectively. The Authority included this TIF revenue in the corresponding TIF liability and Tax Reimbursement expense calculations as of December 31, 2024. The Due from County Treasurer receivable was received in full subsequent to December 31, 2024 along with calculation adjustments for the year ending December 31, 2025.

**LEADVILLE URBAN RENEWAL AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflow of Resources**

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

**Equity**

**Net Position**

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

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: no spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

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

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

**LEADVILLE URBAN RENEWAL AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

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

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

**Deficits**

The Authority has a deficit in the general fund. This deficit amount is a result of the Authority being responsible for current liabilities in excess of available current assets.

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Position:

Cash and Investments	\$ 211,261
Total Cash and Investments	<u>\$ 211,261</u>

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

Deposits with Financial Institutions	\$ 211,261
Total Cash and Investments	<u>\$ 211,261</u>

**Deposits with Financial Institutions**

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

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

At December 31, 2024, the Authority’s cash deposits had a bank balance and carrying balance of \$211,261.

**LEADVILLE URBAN RENEWAL AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

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

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

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

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

As of December 31, 2024, the Authority had no investments.

**NOTE 4 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2024:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Notes from Direct Borrowings					
Loan Payable - City of Leadville	\$ 211,540	\$ -	\$ -	\$ 211,540	\$ 106,245
Total Long-Term Obligations	<u>\$ 211,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,540</u>	<u>\$ 106,245</u>

**LEADVILLE URBAN RENEWAL AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 LONG-TERM OBLIGATIONS(CONTINUED)**

**Loan Payable – City of Leadville**

On August 18, 2020, the Authority entered into a Development and Cooperation Agreement (the Agreement) with High Country Developers, LLC (Developer) and the City of Leadville (City). Per the Agreement, the City incurred costs prior to effective date in establishing and operating the Authority and drafting and adopting the Plan and this Agreement. Costs paid by the City through December 31, 2024, totaled \$211,540, which is payable to the City of Leadville from future TIF Revenue collections collected in excess of operating expenses in future years. See Note 6 for more information related to the Agreement.

**NOTE 5 NET POSITION**

The Authority has net position consisting of one component – unrestricted.

The Authority has a deficit in unrestricted net position. This deficit amount is a result of the Authority being responsible for current liabilities in excess of available current assets.

**NOTE 6 AGREEMENTS**

**High Country Developers, LLC Development and Cooperation Agreement**

On August 18, 2020, the Authority entered into a Development and Cooperation Agreement (the Agreement) with High Country Developers, LLC (Developer) and the City of Leadville (City). Pursuant to the Agreement, the Developer agrees to design, finance, and construct the public improvements. The Authority agrees to remit pledge increment property tax collected to the Developer for repayment of development costs, with a maximum reimbursement amount of \$4,000,000, and to the City for repayment of costs establishing and operating the Authority, with a maximum reimbursement amount of \$215,000. The City's reimbursement is 20% of the incremental property taxes, net of administrative fees and contractual payments. The Developer's reimbursement is 85% of the incremental property taxes, net of administrative fees and contractual payments, in 2023. In 2024, this reimbursement percentage is reduced to 80% and is reduced by 5% every two years until the reimbursement percentage becomes 55%. The Agreement is terminated when the Developer receives the maximum reimbursement amount or twenty-five years after the Agreement's effective date, whichever is earlier.

The Agreement requires the Authority to maintain a Special Fund in accordance with the Colorado Urban Renewal Law, constituting Sections 31-25-101, *et seq.*, Colorado Revised Statutes, as amended from time to time. When pledged property tax revenues are received, the Authority deposits the revenue into the Special Fund. The Authority accounts for the Special Fund required under this agreement as part of the General Fund presented in these financial statements.

**LEADVILLE URBAN RENEWAL AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 AGREEMENTS (CONTINUED)**

**St. Vincent Hospital District Tax Increment Financing Agreement**

The Authority entered into a Tax Increment Financing Agreement with St. Vincent General Hospital District (Hospital District). Pursuant to the Agreement, the Authority collects 100% of the incremental property taxes within the Plan Area and remits 25% of these funds, net of administrative fees, to the Hospital District. If voters of the Hospital District vote to increase the property taxes in the future, the Authority shall pay the Hospital District 100% of the incremental property taxes generated by the voter-approved mill levy increase if the Authority receives such amount. As part of this agreement, the CEO of the Hospital District is appointed to serve on the Authority's board.

**Lake County School District R-1 Tax Increment Financing Agreement**

The Authority entered into a Tax Increment Financing Agreement with Lake County School District R-1 (School District). Pursuant to the Agreement, the Authority collects 100% of the incremental property taxes within the Plan Area and remits 10% of these funds, net of administrative fees, to the School District. If voters of the School District vote to increase the property taxes in the future, the Authority shall pay the School District 100% of the incremental property taxes generated by the voter-approved mill levy increase if the Authority receives such amount.

**Leadville Sanitation District Mediation**

Effective January 24, 2019, the Authority entered into mediation with Leadville Sanitation District. Pursuant to the mediation, the Authority collects 100% of the incremental property taxes within the Central Leadville Urban Renewal Plan Area and remits 15% of these funds, net of administrative fees, to Leadville Sanitation District.

**NOTE 7 RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The Authority maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

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

**LEADVILLE URBAN RENEWAL AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS**

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

In 2002, the Colorado Court of Appeals determined that TABOR does not apply to urban renewal authorities such as the Authority. The application of TABOR to the City, however, could impact the amount of Sales Tax Revenues received by the Authority, and the application of TABOR to the School District and other local governments which overlap the Urban Renewal Area could impact the amount of Property Tax Revenues received by the Authority.

## **OTHER INFORMATION**

**LEADVILLE URBAN RENEWAL AUTHORITY  
SUMMARY OF INCREMENTAL ASSESSED VALUATION, MILL LEVY, AND  
INCREMENTAL PROPERTY TAXES COLLECTED  
DECEMBER 31, 2024**

Year Ended December 31,	Net Increment Valuation	Combined Mills Levied	Total Incremental Property Taxes		Percent Collected to Levied
			Levied	Collected	
2019/2020	\$ 2,200	\$ 102.145	\$ 225	\$ 225	100.00 %
2020/2021	143,256	102.957	14,749	14,977	101.55 %
2021/2022	528,979	108.324	57,301	59,748	104.27 %
2022/2023	1,384,314	110.110	152,427	152,033	99.74 %
2023/2024	3,795,889	101.329	384,634	220,290	57.27 %
Estimated for Year Ending December 31, 2025	\$ 5,401,169	109.006			

Note:

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

Source: Lake County Assessor and Treasurer.