

**URBAN RENEWAL AUTHORITY OF DAcono
WELD COUNTY, COLORADO**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2025

**URBAN RENEWAL AUTHORITY OF DACONO
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025**

INDEPENDENT AUDITOR’S REPORT	I
MANAGEMENT’S DISCUSSION AND ANALYSIS	IV
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
CAPITAL PROJECTS FUND PLAN AREA I – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	21
CAPITAL PROJECTS FUND PLAN AREA II – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	22
SUMMARY OF INCREMENTAL ASSESSED VALUATION, MILL LEVY, AND INCREMENTAL PROPERTY TAXES COLLECTED	23

Board of Directors
Urban Renewal Authority of Dacono
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Urban Renewal Authority of Dacono (the "Authority"), as of and for the year ended December 31, 2025, 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 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 Urban Renewal Authority of Dacono as of December 31, 2025, 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 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 (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 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.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

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 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.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Other Matters

Required Supplementary Information

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

The logo for Wipfli LLP, featuring the company name in a stylized, handwritten-style script.

Wipfli LLP
Denver, Colorado

July 27, 2026

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

URBAN RENEWAL AUTHORITY OF DAcono
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025

As management of the Urban Renewal Authority of Dacono (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2025.

Financial Highlights

- Assets exceeded liabilities and deferred inflows of resources by \$17.2 million at the close of the fiscal year. Of which, \$8.6 million represents net investment in capital assets, \$6.4 million is restricted for Plan Area II and \$2.2 million is unrestricted.
- Cash and investments at the close of the fiscal year were \$11.1 million including a restricted amount of \$8.1 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of the three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic 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 Authority's finances, in a manner similar to a private-section business.

The statement of net position represents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position.

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.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, 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 Authority are governmental funds.

**URBAN RENEWAL AUTHORITY OF DACONO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

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 and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. 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 Authority maintains three major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the major funds – General Fund and Capital Projects Fund.

The Authority adopts an annual 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.

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.

Supplementary information. The report includes individual fund schedules. Budgetary comparison schedules have been provided in this section for the capital projects fund to demonstrate compliance with the budget.

URBAN RENEWAL AUTHORITY OF DAcono
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025

Government-Wide Financial Analysis

Statement of Net Position

	December 31,	
	2025	2024
ASSETS		
Current Assets	\$ 17,926,553	\$ 27,139,322
Capital Assets	8,576,013	-
Total Assets	<u>26,502,566</u>	<u>27,139,322</u>
LIABILITIES		
Current Liabilities	<u>2,550,500</u>	<u>730,857</u>
Total Liabilities	2,550,500	730,857
DEFERRED INFLOWS OF RESOURCES		
Incremental Property Tax Revenue	<u>6,785,586</u>	<u>9,812,895</u>
Total Deferred Inflows of Resources	6,785,586	9,812,895
NET POSITION		
Net Investment in Capital Assets	8,576,013	-
Restricted For:		
Capital Projects	5,729,082	13,818,099
Unrestricted	<u>2,861,385</u>	<u>2,777,471</u>
Total Net Position	<u><u>\$ 17,166,480</u></u>	<u><u>\$ 16,595,570</u></u>

As noted earlier, net position may serve as a useful indicator for the Authority's financial position. In the Authority's case, 2025 ended with total assets valued at \$26.5 million, with outstanding liabilities and deferred inflows of resources of \$9.3 million. The Authority's assets consist primarily of cash and investments, capital assets and taxes receivable. The Authority's liabilities consist of current payables.

URBAN RENEWAL AUTHORITY OF DAcono
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025

Statement of Activities

	December 31,	
	2025	2024
REVENUES		
Incremental Property Taxes	\$ 9,760,413	\$ 22,072,795
Royalties	10,453	11,067
Net Investment Income	588,631	691,676
Total Revenues	<u>10,359,497</u>	<u>22,775,538</u>
EXPENSES		
General Government	5,128,890	9,354,034
Dedication of Capital Assets to other Governments	4,659,697	5,429,759
Total Expenses	<u>9,788,587</u>	<u>14,783,793</u>
CHANGE IN NET POSITION	570,910	7,991,745
Net Position - Beginning of Year	<u>16,595,570</u>	<u>8,603,825</u>
NET POSITION - END OF YEAR	<u><u>\$ 17,166,480</u></u>	<u><u>\$ 16,595,570</u></u>

The Authority's net position increased \$0.57 million from prior year. General revenues consist primarily of incremental property taxes, which were \$9.8 million.

Financial Analysis of the Governmental Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unassigned fund balances 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 Authority's governmental funds reported combined ending fund balances of \$9.3 million. Of this balance, \$6.4 is restricted for capital projects. Of the remaining balance approximately \$0.2 million is assigned, and \$2.7 million is unassigned, which is available for spending at the government's discretion within the parameters established for the general fund.

**URBAN RENEWAL AUTHORITY OF DAcono
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025**

Requests for Information

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

Urban Renewal Authority of Dacono
512 Cherry Street
Dacono, Colorado 80514

BASIC FINANCIAL STATEMENTS

URBAN RENEWAL AUTHORITY OF DACONO
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 2,980,467
Cash and Investments - Restricted	8,158,282
Accounts Receivable - County Treasurer	2,218
Incremental Property Taxes Receivable	6,785,586
Capital Assets, Not Being Depreciated	8,576,013
Total Assets	<u>26,502,566</u>
LIABILITIES	
Accounts Payable	1,863,500
Due to Other Governments	687,000
Total Liabilities	<u>2,550,500</u>
DEFERRED INFLOWS OF RESOURCES	
Incremental Property Tax Revenue	6,785,586
Total Deferred Inflows of Resources	<u>6,785,586</u>
NET POSITION	
Net Investment in Capital Assets	8,576,013
Restricted for:	
Capital Projects	5,729,082
Unrestricted	<u>2,861,385</u>
Total Net Position	<u><u>\$ 17,166,480</u></u>

See accompanying Notes to Basic Financial Statements.

URBAN RENEWAL AUTHORITY OF DAcono
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS	<u>Expenses</u>				
Primary Government:					
Governmental Activities:					
General Government	\$ 5,128,890	\$ -	\$ 10,453	\$ -	\$ (5,118,437)
Dedication of Capital Assets to Other Governments	4,659,697	-	-	-	(4,659,697)
Total Governmental Activities	<u>\$ 9,788,587</u>	<u>\$ -</u>	<u>\$ 10,453</u>	<u>\$ -</u>	(9,778,134)
GENERAL REVENUES					
Incremental Property Taxes					9,760,413
Net Investment Income					588,631
Total General Revenues					<u>10,349,044</u>
CHANGE IN NET POSITION					570,910
Net Position - Beginning of Year					<u>16,595,570</u>
NET POSITION - END OF YEAR					<u>\$ 17,166,480</u>

See accompanying Notes to Basic Financial Statements.

URBAN RENEWAL AUTHORITY OF DACONO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General	Capital Projects - Plan Area II	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 2,980,467	\$ -	\$ 2,980,467
Cash and Investments - Restricted	-	8,158,282	8,158,282
Accounts Receivable - County Treasurer	338	1,880	2,218
Incremental Property Taxes Receivable	1,229,867	5,555,719	6,785,586
Total Assets	<u>\$ 4,210,672</u>	<u>\$ 13,715,881</u>	<u>\$ 17,926,553</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 119,420	\$ 1,744,080	\$ 1,863,500
Due to Other Governments	-	687,000	687,000
Total Liabilities	<u>119,420</u>	<u>2,431,080</u>	<u>2,550,500</u>
DEFERRED INFLOWS OF RESOURCES			
Incremental Property Tax Revenue	1,229,867	5,555,719	6,785,586
Total Deferred Inflows of Resources	<u>1,229,867</u>	<u>5,555,719</u>	<u>6,785,586</u>
FUND BALANCES			
Restricted for:			
Capital Projects	-	5,729,082	5,729,082
Assigned to:			
Subsequent Year's Expenditures	200,727	-	200,727
Unassigned:			
General Government	2,660,658	-	2,660,658
Total Fund Balances	<u>2,861,385</u>	<u>5,729,082</u>	<u>8,590,467</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,210,672</u>	<u>\$ 13,715,881</u>	<u>\$ 17,926,553</u>
Fund Balances - Total Governmental Funds			\$ 8,590,467
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets are reported as assets on the statement of net position but are recorded as expenditures in the funds.			
Capital Assets, Not Being Depreciated			<u>8,576,013</u>
Net Position of Governmental Activities			<u>\$ 17,166,480</u>

See accompanying Notes to Basic Financial Statements.

URBAN RENEWAL AUTHORITY OF DAcono
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Capital Projects - Plan Area II	Total Governmental Funds
REVENUES			
Incremental Property Taxes	\$ 1,116,841	\$ 8,643,572	\$ 9,760,413
Royalties	10,453	-	10,453
Net Investment Income	133,984	454,647	588,631
Total Revenues	1,261,278	9,098,219	10,359,497
EXPENDITURES			
Current:			
Accounting	51,156	-	51,156
Audit	6,996	-	6,996
County Treasurer's Fees	16,752	129,654	146,406
Legal	251,208	-	251,208
City Comprehensive Plan	81,516	-	81,516
Utilities	1,818	-	1,818
Staffing	819,950	-	819,950
Contingency	82	-	82
Property Tax Increment Payment:			
AIMS Junior College	-	62,280	62,280
Northern Colorado Water	-	69,224	69,224
School Dist RE1J	-	1,896,011	1,896,011
School Dist RE8	-	62,873	62,873
St. Vrain Sanitation	-	21,656	21,656
Weld County	-	589,895	589,895
Mountain View Fire	-	684,745	684,745
Capital Projects:			
Grandview Blvd (County Road 12)	-	3,166,265	3,166,265
Grandview Blvd Waterline	-	128,214	128,214
Legacy Park Dr	-	20,600	20,600
530 Cherry Ave	-	833,264	833,264
Sixth & Colorado	-	297,751	297,751
City Center Development	-	5,455,480	5,455,480
Forest Avenue Sidewalks	-	1,046,866	1,046,866
Elliot Salvage Yard Redevelopment	-	2,670,344	2,670,344
Total Expenditures	1,229,478	17,135,122	18,364,600
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	31,800	(8,036,903)	(8,005,103)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	52,114	-	52,114
Transfers to Other Funds	-	(52,114)	(52,114)
Total Other Financing Sources (Uses)	52,114	(52,114)	-
NET CHANGE IN FUND BALANCES	83,914	(8,089,017)	(8,005,103)
Fund Balances - Beginning of Year	2,777,471	13,818,099	16,595,570
FUND BALANCES - END OF YEAR	<u>\$ 2,861,385</u>	<u>\$ 5,729,082</u>	<u>\$ 8,590,467</u>

See accompanying Notes to Basic Financial Statements.

URBAN RENEWAL AUTHORITY OF DACONO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Governmental Funds	\$ (8,005,103)
--	----------------

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	13,618,784
Adjustment of Carrying Value of Land Acquired from the City	(383,074)
Dedication of Capital Assets to Other Governments	<u>(4,659,697)</u>

Change in Net Position of Governmental Activities	<u>\$ 570,910</u>
---	-------------------

URBAN RENEWAL AUTHORITY OF DACONO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Incremental Property Taxes	\$ 1,167,614	\$ 1,116,841	\$ (50,773)
Royalties	20,000	10,453	(9,547)
Net Investment Income	120,000	133,984	13,984
Total Revenues	1,307,614	1,261,278	(46,336)
EXPENDITURES			
Current:			
Accounting	50,000	51,156	(1,156)
Audit	7,500	6,996	504
County Treasurer's Fees	17,514	16,752	762
Legal	50,000	251,208	(201,208)
Staffing	685,000	819,950	(134,950)
Professional Services	10,000	-	10,000
City Comprehensive Plan	-	81,516	(81,516)
Plan Area III Organizational Costs	50,000	-	50,000
Utilities	-	1,818	(1,818)
Contingency	19,986	82	19,904
Total Expenditures	890,000	1,229,478	(339,478)
EXCESS OF REVENUES OVER EXPENDITURES	417,614	31,800	(385,814)
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	(375,000)	-	375,000
Transfers from Other Funds	52,114	52,114	-
Total Other Financing Sources (Uses)	(322,886)	52,114	375,000
NET CHANGE IN FUND BALANCE	94,728	83,914	(10,814)
Fund Balance - Beginning of Year	2,758,344	2,777,471	19,127
FUND BALANCE - END OF YEAR	<u>\$ 2,853,072</u>	<u>\$ 2,861,385</u>	<u>\$ 8,313</u>

See accompanying Notes to Basic Financial Statements.

URBAN RENEWAL AUTHORITY OF DAcono
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 DEFINITION OF REPORTING ENTITY

The Economic Development Authority of Dacono was formed by resolution passed March 23, 2015, by the City Council of the City of Dacono, Colorado (the City) pursuant to the Colorado Urban Renewal Law, Colorado Revised Statutes. On June 8, 2020, a resolution was passed to change the name of the organization to the Urban Renewal Authority of Dacono (the Authority). The purpose of the Authority is to acquire and develop certain blighted areas in the City to maintain the public welfare.

The Authority currently has two outstanding project plans; they are identified as follows:

- 1) Dacono I Urban Renewal Plan – The Plan Area was approved in 2015 which includes 352 nonresidential parcels comprising approximately 4,480 total acres, including rights-of-way. The purpose of this Plan is to reduce, eliminate and prevent the spread of blight and to stimulate and catalyze growth and investment within the Area boundaries.
- 2) Dacono II Urban Renewal Plan – The Plan Area was approved in November 2019 for 19 nonresidential parcels comprising approximately 1,278 acres, as well as rights-of-way, located between State Highway 52 on the north and County Road 6 on the south. The purpose of this Plan is to reduce and remove blighting conditions adversely impacting properties and businesses in the Area. In addition, it is the Authority's intention to finance, install, construct, reconstruct and cooperate with others to complete capital improvements to infrastructure and utilities in the Area, in an effort to further local and regional economic growth, and facilitate the development of the community.

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 has no employees, and all administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Mayor appoints the Authority board members, and 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.

URBAN RENEWAL AUTHORITY OF DAcono
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 incremental property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the Authority. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the Authority is reported as net position.

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

URBAN RENEWAL AUTHORITY OF DACONO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Authority's administrative function and various other functions of the Authority. Elimination of these charges would distort the direct costs and program revenues reported for the various functions covered.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenues include all incremental taxes received by the Authority.

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.

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.

URBAN RENEWAL AUTHORITY OF DAcono
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

It is the policy of the City to accept maintenance responsibility for all major public infrastructure within the City upon the Authority's completion and conveyance of such improvements provided they meet the City's specifications.

URBAN RENEWAL AUTHORITY OF DACONO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows/Outflows of Resources

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

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 assets 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, *incremental property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund 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: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

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

URBAN RENEWAL AUTHORITY OF DAcono
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Fund Balance (Continued)

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.

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.

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* (Statement 102). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 2,980,467
Cash and Investments - Restricted	8,158,282
Total Cash and Investments	<u>\$ 11,138,749</u>

Cash and investments as of December 31, 2025 consist of the following:

Deposits with Financial Institutions	\$ 2,538,852
Investments	8,599,897
Total Cash and Investments	<u>\$ 11,138,749</u>

URBAN RENEWAL AUTHORITY OF DAcono
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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, 2025, the Authority's cash deposits had a bank balance of \$2,538,089 and a carrying balance of \$2,538,852.

Investments

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

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

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

URBAN RENEWAL AUTHORITY OF DAcono
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

INVESTMENT (Continued)

As of December 31, 2025, the Authority had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	<u>\$ 8,599,897</u>

COLOTRUST

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

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

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAaf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the Authority records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

URBAN RENEWAL AUTHORITY OF DAcono
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2025 follows:

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
City Center - Land	\$ -	\$ 5,063,139	\$ -	\$ 5,063,139
Construction in Progress	-	8,172,571	4,659,697	3,512,874
Total Capital Assets, Not Being Depreciated	-	13,235,710	4,659,697	8,576,013
Governmental Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ 13,235,710</u>	<u>\$ 4,659,697</u>	<u>\$ 8,576,013</u>

Certain capital assets constructed by other entities, for which the Authority was a contributing entity, were transferred to those entities and removed from the Authority's financial records.

As of December 31, 2025, the Authority owes the City of Dacono \$687,000 for the City Center land purchase. Under the Purchase and Sale Agreement dated October 13, 2025, this deferred payment is due on or before October 22, 2026.

NOTE 5 AGREEMENTS

City Cooperation Agreement

On December 16, 2019, the Authority entered into a Cooperation Agreement (Dacono II Urban Renewal Plan) with the City (the City Cooperation Agreement). Pursuant to the City Cooperation Agreement, the parties agreed that, in furtherance of carrying out the purposes of the Plan, the Authority may retain and expend, 100% of the following revenue: (a) incremental property tax revenues derived from the City's mill levy and transferred by the County Treasurer to the Authority for deposit into the Special Fund (the City Property Tax Increment) and (b) the incremental sales and use tax revenues from the portion of the City's 3.0% general fund sales and use tax which are in excess of the sales tax base amount which revenues are deposited into the Special Fund by the City (the City Sales Tax Increment and together with the City Property Tax Increment, the City Increment). Under the City Cooperation Agreement, the Authority agreed to use the City Increment to pay eligible costs of the redevelopment of the TIF Area. The City Sales Tax Increment is not pledged to the Bonds and will be used by the Authority for other uses. The City presently imposes a debt service mill levy for the payment of general obligation indebtedness (2.62 of its 25.082 mills imposed in 2019, all of which will contribute to the Pledged Revenues) with a final maturity date of December 1, 2025.

URBAN RENEWAL AUTHORITY OF DAcono
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 AGREEMENTS (CONTINUED)

County Tax Increment Revenue Sharing Agreement

On December 16, 2019, the Authority entered into a Tax Increment Revenue Sharing Agreement with the County (the County Sharing Agreement). The parties agreed that the Authority may retain 50% of the net property tax increment revenues generated from the County's mill levy during the TIF Period (the County Increment) and the Authority will remit to the County the remaining 50% of the net property tax increment revenues.

St. Vrain Valley School District IGA

On December 16, 2019, the Authority and St. Vrain Valley School District RE-1J (the St. Vrain School District) entered into an Intergovernmental Agreement for Tax Increment Revenue Sharing by and Between the Economic Development Authority of Dacono and St. Vrain Valley School District (the St. Vrain School District IGA). The parties agreed that the Authority may retain the property tax increment revenues generated from the St. Vrain School District's mill levy (currently in the amount of 27.000 mills) established by the Colorado Public School Finance Act, Section 22-54-106, C.R.S. (the St. Vrain Total Program Mill Levy Increment) and the Authority will remit to the St. Vrain School District all of the property tax increment revenues derived from the St. Vrain School District's other mill levies and any future mill levies. The parties agreed that the Authority may retain an annual administrative fee equal to 1% of property tax increment revenues received by the Authority to pay the administrative costs of the Authority.

Weld RE-8 School District IGA

On December 11, 2019, the Authority and Weld RE-8 School District (the Weld School District) entered into an Intergovernmental Agreement for Tax Increment Revenue Sharing by and Between the Economic Development Authority of Dacono and Weld RE-8 School District (the Weld School District IGA). The parties agreed that the Authority may retain the property tax increment revenues generated from the Weld School District's mill levy (currently in the amount of 12.143 mills) established by the Colorado Public School Finance Act, Section 22-54-106, C.R.S. (the Weld Total Program Mill Levy Increment) and the Authority will remit to the Weld School District all of the property tax increment revenues derived from the Weld School District's other mill levies and any future mill levies.

Carbon Valley Parks and Recreation District IGA

On November 19, 2019, the Authority and Carbon Valley Parks and Recreation District (the Parks and Recreation District) entered into an Intergovernmental Agreement for Property Tax Increment Revenue Sharing (Carbon Valley Parks and Recreation District) (Dacono II Urban Renewal Plan) (the Parks and Recreation District IGA). The parties agreed that the Authority may retain and expend in furtherance of the Urban Renewal Project 100% of the property tax increment revenues generated from the Parks and Recreation District's mill levy (the Parks and Recreation District Increment). The parties agreed that the Authority may retain an annual administrative fee equal to 1% of the incremental property tax revenue received by the Authority to pay the administrative costs of the Authority.

URBAN RENEWAL AUTHORITY OF DAcono
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 AGREEMENTS (CONTINUED)

Mountain View Fire Rescue District IGA

On December 9, 2019, the Authority and Mountain View Fire Rescue District (the Fire District) entered into an Intergovernmental Agreement for Property Tax Increment Revenue Sharing (Mountain View Fire Rescue District) (Dacono II Urban Renewal Plan) (the Fire District IGA). The parties agreed that the Authority may retain and expend in furtherance of the Urban Renewal Project 42% of the property tax increment revenues generated from the Fire District's mill levy (the Fire District Increment), subject to a limit of \$16,000,000 (the Fire District Increment Cap). If the Authority collections hit the Fire District Increment Cap prior to expiration of the TIF Period, then the Authority will not be entitled to retain the Fire District Increment and will remit it to the Fire District. The parties agreed that the Authority may retain an annual administrative fee equal to 1% of the property tax increment revenues received by the Authority to pay the administrative costs of the Authority. The Authority agreed to use the Fire District Increment solely for transportation infrastructure projects identified in the Plan. Given the restrictions on the use of the Fire District Increment in the Fire District IGA, the Fire District Increment is not pledged to the payment of the Bonds.

High Plains Library District IGA

On December 16, 2019, the Authority entered into an Intergovernmental Agreement for Property Tax Increment Revenue Sharing (High Plains Library District) (Dacono II Urban Renewal Plan) with High Plains Library District (the Library District) (the Library District IGA). The parties agreed that the Authority will remit to the Library District all of the property tax increment revenues derived from the Library District's mill levy allocated to the Special Fund, except that the Authority may retain an annual administrative fee equal to 1% of such property tax increment revenues to pay the administrative costs of the Authority.

St. Vrain Sanitation District IGA

On November 20, 2019, the Authority and St. Vrain Sanitation District (as previously defined, the Sanitation District) entered into an Intergovernmental Agreement for Property Tax Increment Revenue Sharing (St. Vrain Sanitation District) (Dacono II Urban Renewal Plan) (the Sanitation District IGA). The parties agreed that the Authority will remit to the Sanitation District all of the property tax increment revenues derived from the Sanitation District's mill levy allocated to the Special Fund, except that the Authority may retain an annual administrative fee equal to 1% of property tax increment revenues received by the Authority to pay the administrative costs of the Authority.

Aims Junior College District IGA

On December 3, 2019, the Authority and Aims Junior College District (the College District) entered into an Intergovernmental Agreement for Property Tax Increment Revenue Sharing (Aims Junior College District) (Dacono II Urban Renewal Plan) (the College District IGA). The parties agreed that the Authority will remit to the College District all of the property tax increment revenues derived from the College District's mill levy allocated to the Special Fund.

URBAN RENEWAL AUTHORITY OF DAcono
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 AGREEMENTS (CONTINUED)

Northern Colorado Water Conservancy District

On November 25, 2019, the Authority sent a letter to the Northern Colorado Water Conservancy District (the Water District) to notify the Water District that the Authority would remit to the Water District all of the property tax increment revenues derived from the Water District's mill levy. Accordingly, the Authority did not enter into an intergovernmental agreement with the Water District governing the sharing of incremental property tax revenues.

NOTE 6 NET POSITION

The Authority has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025, the District had net investment in capital assets of \$8,576,013.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Authority had restricted net position as of December 31, 2025 as follows:

Restricted Net Position:

Capital Projects Fund Reserve	\$ 5,729,082
Total Restricted Net Position	<u><u>\$ 5,729,082</u></u>

The Authority's unrestricted net position as of December 31, 2025 is \$2,861,385.

NOTE 7 INTERFUND TRANSFERS

The authority transferred \$52,114 from Capital Projects Fund Plan Area II to General Fund for administration fees per the IGAs on the Plan area II TIF.

NOTE 8 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, nor have any claims been submitted.

URBAN RENEWAL AUTHORITY OF DACONO
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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.

SUPPLEMENTARY INFORMATION

**URBAN RENEWAL AUTHORITY OF DACONO
CAPITAL PROJECTS FUND PLAN AREA I
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
City Center Master Planning	250,000	-	250,000
City Comprehensive Plan	125,000	-	125,000
Total Expenditures	<u>375,000</u>	<u>-</u>	<u>375,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(375,000)	-	375,000
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	<u>375,000</u>	<u>-</u>	<u>(375,000)</u>
Total Other Financing Sources (Uses)	<u>375,000</u>	<u>-</u>	<u>(375,000)</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

URBAN RENEWAL AUTHORITY OF DAcono
CAPITAL PROJECTS FUND PLAN AREA II
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Incremental Property Taxes	\$ 8,645,281	\$ 8,643,572	\$ (1,709)
Net Investment Income	400,000	454,647	54,647
Total Revenues	9,045,281	9,098,219	52,938
EXPENDITURES			
Current:			
County Treasurer's Fees	129,679	129,654	25
Property Tax Increment Payment:			
AIMS Junior College	62,292	62,280	12
Northern Colorado Water	69,238	69,224	14
School Dist RE1J	1,896,386	1,896,011	375
School Dist RE8	62,885	62,873	12
St. Vrain Sanitation	21,660	21,656	4
Weld County	590,012	589,895	117
Mountain View Fire	684,881	684,745	136
Capital Projects:			
Grandview Blvd (County Road 12)	5,000,000	3,166,265	1,833,735
Grandview Blvd Waterline	200,000	128,214	71,786
Property Demolition and Cleanup	100,000	-	100,000
Legacy Park Dr	-	20,600	(20,600)
Little Dry Creek Lift Station	2,000,000	-	2,000,000
530 Cherry Ave	-	833,264	(833,264)
Sixth & Colorado	256,667	297,751	(41,084)
City Center Development	4,750,000	5,455,480	(705,480)
Forest Avenue Sidewalks	500,000	1,046,866	(546,866)
Elliot Salvage Yard Redevelopment	2,800,000	2,670,344	129,656
Total Expenditures	19,123,700	17,135,122	1,988,578
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,078,419)	(8,036,903)	2,041,516
OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	(52,114)	(52,114)	-
Total Other Financing Sources (Uses)	(52,114)	(52,114)	-
NET CHANGE IN FUND BALANCE	(10,130,533)	(8,089,017)	2,041,516
Fund Balance - Beginning of Year	14,314,591	13,818,099	(496,492)
FUND BALANCE - END OF YEAR	<u>\$ 4,184,058</u>	<u>\$ 5,729,082</u>	<u>\$ 1,545,024</u>

URBAN RENEWAL AUTHORITY OF DAcono
SUMMARY OF INCREMENTAL ASSESSED VALUATION, MILL LEVY, AND
INCREMENTAL PROPERTY TAXES COLLECTED
DECEMBER 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy			Combined Mills Levied	Total Incremental Property Taxes		Percent Collected to Levied
	Total	Less:	Net				
	Assessed Valuation	Base Valuation	Increment Valuation		Levied	Collected	
2021 Plan Area I	\$ 35,433,460	\$ 29,512,409	\$ 5,921,051	136.069	\$ 810,424	\$ 792,141	97.74%
2022 Plan Area I	35,626,450	28,760,142	6,866,308	135.843	932,739	918,356	98.46%
2023 Plan Area I	38,601,030	31,133,465	7,467,565	136.440	1,018,876	1,004,426	98.58%
2024 Plan Area I	44,718,780	36,408,530	8,310,250	132.620	1,102,102	1,083,150	98.28%
2025 Plan Area I	41,482,480	33,088,899	8,393,581	139.108	1,167,614	1,116,841	95.65%
Estimated for the Year Ending December 31, 2026 Plan Area I	\$ 44,494,610	\$ 35,249,518	\$ 9,245,092	133.029	\$ 1,229,867		

NOTE:

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

URBAN RENEWAL AUTHORITY OF DAcono
SUMMARY OF INCREMENTAL ASSESSED VALUATION, MILL LEVY, AND
INCREMENTAL PROPERTY TAXES COLLECTED (CONTINUED)
DECEMBER 31, 2025

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy			Mills Levied	Total Incremental Property Taxes		Percent Collected to Levied
	Total	Less:	Net				
	Assessed Valuation	Base Valuation	Increment Valuation		Levied	Collected	
2021 Plan Area II	\$ 1,160,620	\$ 1,001,160	\$ 159,460	117.942	\$ 18,807	\$ 18,419	97.94%
2022 Plan Area II	119,959,920	10,273,740	109,686,180	114.783	12,590,160	12,590,424	100.00%
2023 Plan Area II	263,443,390	25,748,291	237,695,099	115.575	27,471,553	27,472,102	100.00%
2024 Plan Area II	205,461,850	18,875,473	186,586,377	112.520	20,994,703	20,989,645	99.98%
2025 Plan Area II	80,471,350	5,390,226	75,081,124	115.145	8,645,281	8,643,572	99.98%
Estimated for the Year Ending December 31, 2026 Plan Area II	\$ 50,691,180	\$ 1,996,883	\$ 48,694,297	114.094	\$ 5,555,719		

NOTE:

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