

CITY CENTER WEST COMMERCIAL
METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2023

with

Independent Auditors' Report

CONTENTS

<u>Independent Auditors' Report</u>	I
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<u>Supplementary Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	20

Independent Auditors' Report

Board of Directors
City Center West Commercial Metropolitan District
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the City Center West Commercial Metropolitan District (the “District”) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Tatton and Company, LLC

Cedaredge, CO
September 13, 2024

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

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

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 3,795	\$ -	\$ 3,795	\$ -	\$ 3,795
Cash and investments - restricted	197	633,784	633,981	-	633,981
Receivable - County Treasurer	171	854	1,025	-	1,025
Property taxes receivable	61,997	324,815	386,812	-	386,812
Prepaid expenses	4,572	-	4,572	-	4,572
Due from other District	<u>2,013</u>	<u>8,899</u>	<u>10,912</u>	<u>-</u>	<u>10,912</u>
 Total Assets	 <u>\$ 72,745</u>	 <u>\$ 968,352</u>	 <u>\$1,041,097</u>	 <u>-</u>	 <u>1,041,097</u>
LIABILITIES					
Accounts payable	\$ 8,094	\$ -	\$ 8,094	\$ -	\$ 8,094
Accrued interest on bonds	-	-	-	46,433	46,433
Current portion of long-term debt	-	-	-	50,000	50,000
Long-term liabilities:					
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,730,586</u>	<u>9,730,586</u>
 Total Liabilities	 <u>8,094</u>	 <u>-</u>	 <u>8,094</u>	 <u>9,827,019</u>	 <u>9,835,113</u>
DEFERRED INFLOW OF RESOURCES					
Deferred property taxes	<u>61,997</u>	<u>324,815</u>	<u>386,812</u>	<u>-</u>	<u>386,812</u>
 Total Deferred Inflows of Resources	 <u>61,997</u>	 <u>324,815</u>	 <u>386,812</u>	 <u>-</u>	 <u>386,812</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	4,572	-	4,572	(4,572)	-
Restricted:					
Emergencies	197	-	197	(197)	-
Debt Service	-	643,537	643,537	(643,537)	-
Unassigned	<u>(2,115)</u>	<u>-</u>	<u>(2,115)</u>	<u>2,115</u>	<u>-</u>
 Total Fund Balances	 <u>2,654</u>	 <u>643,537</u>	 <u>646,191</u>	 <u>(646,191)</u>	 <u>-</u>
 Total Liabilities, Deferred Inflows of of Resources and Fund Balances	 <u>\$ 72,745</u>	 <u>\$ 968,352</u>	 <u>\$1,041,097</u>		
 Net Position:					
Restricted for:					
Emergencies				197	197
Debt service				597,104	597,104
Unrestricted				<u>(9,778,129)</u>	<u>(9,778,129)</u>
 Total Net Position				 <u>\$ (9,180,828)</u>	 <u>\$ (9,180,828)</u>

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

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES					
General expenses:					
Accounting	\$ 15,909	\$ -	\$ 15,909	\$ -	\$ 15,909
Audit	7,600	-	7,600	-	7,600
Election	855	-	855	-	855
Insurance	5,041	-	5,041	-	5,041
Landscape maintenance	21,044	-	21,044	-	21,044
Legal	23,200	-	23,200	-	23,200
Management fees	9,022	-	9,022	-	9,022
Miscellaneous expenses	3,203	-	3,203	-	3,203
Snow removal	4,284	-	4,284	-	4,284
Treasurer's fees	847	4,147	4,994	-	4,994
Utilities	20,905	-	20,905	-	20,905
Debt service:					
Bond interest expense	-	559,650	559,650	133,540	693,190
Bond principal	-	35,000	35,000	(35,000)	-
Paying agent/trustee fees	-	7,206	7,206	-	7,206
Developer advances - Interest	-	-	-	12,723	12,723
	<u>111,910</u>	<u>606,003</u>	<u>717,913</u>	<u>111,263</u>	<u>829,176</u>
Total Expenditures					
GENERAL REVENUES					
Property taxes	57,176	276,504	333,680	-	333,680
Specific ownership taxes	2,406	11,885	14,291	-	14,291
Interest income	82	39,560	39,642	-	39,642
	<u>59,664</u>	<u>327,949</u>	<u>387,613</u>	<u>-</u>	<u>387,613</u>
Total General Revenues					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(52,246)	(278,054)	(330,300)	(111,263)	(441,563)
OTHER FINANCING SOURCES (USES)					
Developer advances	70,856	-	70,856	(70,856)	-
Transfers from other Districts	-	48,563	48,563	-	48,563
	<u>70,856</u>	<u>48,563</u>	<u>119,419</u>	<u>(70,856)</u>	<u>48,563</u>
Total Other Financing Sources (Uses)					
NET CHANGES IN FUND BALANCES					
	18,610	(229,491)	(210,881)	210,881	
CHANGE IN NET POSITION					
				(393,000)	(393,000)
FUND BALANCES(DEFICIT)/NET POSITION:					
BEGINNING OF YEAR	<u>(15,956)</u>	<u>873,028</u>	<u>857,072</u>	<u>(9,644,900)</u>	<u>(8,787,828)</u>
END OF YEAR	<u>\$ 2,654</u>	<u>\$ 643,537</u>	<u>\$ 646,191</u>	<u>\$ (9,827,019)</u>	<u>\$ (9,180,828)</u>

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

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 58,070	\$ 57,176	\$ (894)
Specific ownership taxes	3,484	2,406	(1,078)
Interest income	<u>20</u>	<u>82</u>	<u>62</u>
Total Revenues	<u>61,574</u>	<u>59,664</u>	<u>(1,910)</u>
EXPENDITURES			
Accounting	13,000	15,909	(2,909)
Audit	7,600	7,600	-
Election	1,000	855	145
Insurance	4,500	5,041	(541)
Landscape maintenance	33,000	21,044	11,956
Legal	17,000	23,200	(6,200)
Management fees	14,000	9,022	4,978
Miscellaneous expenses	500	3,203	(2,703)
Snow removal	5,000	4,284	716
Treasurer's fees	871	847	24
Utilities	23,000	20,905	2,095
Emergency Reserve	<u>1,847</u>	<u>-</u>	<u>1,847</u>
Total Expenditures	<u>121,318</u>	<u>111,910</u>	<u>9,408</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(59,744)	(52,246)	7,498
OTHER FINANCING SOURCES (USES)			
Developer advances	<u>80,000</u>	<u>70,856</u>	<u>(9,144)</u>
Total Other Financing Sources (Uses)	<u>80,000</u>	<u>70,856</u>	<u>(9,144)</u>
NET CHANGE IN FUND BALANCE	20,256	18,610	(1,646)
FUND BALANCE:			
BEGINNING OF YEAR	<u>(15,314)</u>	<u>(15,956)</u>	<u>(642)</u>
END OF YEAR	<u>\$ 4,942</u>	<u>\$ 2,654</u>	<u>\$ (2,288)</u>

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

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Note 1: Summary of Significant Accounting Policies

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

Definition of Reporting Entity

The District was organized on April 17, 2008, as a quasi-municipal organization established under the State of Colorado Special District Act. Organization of the District was preceded by the September 4, 2007, approval by the City Council of the City of Greeley (the "City") of a Consolidated Service Plan (the "Original Service Plan") for the District and City Center West Residential Metropolitan District (the "Residential District"). The Original Service Plan was superseded by the August 16, 2016 approval by the City Council of the Second Amended and Restated Service Plan for the District, the Commercial District and City Center West Residential Metropolitan District No. 2 (the "Service Plan"). The District was established for the purpose of financing and constructing public improvements benefiting the inhabitants and taxpayers of the District and the Residential District as set forth in the Service Plan. It is anticipated in the Service Plan that substantially all of the public improvements will be dedicated to the City of Greeley (the "City"). The District currently contains approximately 53 acres of property located in the northwestern portion of the City. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows GASB Statement No. 61, The Financial Reporting Entity: Omnibus, which amended GASB Statement No. 14, The Financial Reporting Entity and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

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

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

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Basis of Presentation

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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

Budgetary Accounting

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

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Fair Value of Financial Instruments

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

Deposits and Investments

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

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

Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of December 31, 2023, the District has no items that qualify for reporting in this category.

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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

Long-Term Obligations

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

Property Taxes

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

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

Fund Equity

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

Nonspendable Fund Balance

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

The nonspendable fund balance in the General Fund in the amount of \$4,572 represents prepaid expenditures.

Restricted Fund Balance

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

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$197 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$643,537 is restricted for the payment of the costs associated with the Series 2020A and Series 2020B Bonds, as defined below. (See Note 3)

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

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

Net Position

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

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

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

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

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

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

Note 2: Cash and investments

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

Statement of net position:	
Cash and investments	\$ 3,795
Cash and investments – restricted	<u>633,981</u>
	<u>\$ 637,776</u>

Cash and investments as of December 31, 202X consist of the following:

Deposits with financial institutions	\$ 4,947
Investments – COLOTRUST	54,686
Investments – Fidelity	<u>578,143</u>
	<u>\$ 637,776</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District does not have a formal policy for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments, are not required to be categorized within the fair value hierarchy. The investments' value are calculated using the net asset value (NAV) per share.

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Credit Risk

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

Custodial and Concentration of Credit Risk

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

Interest Rate Risk

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

Colotrust

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. At December 31, 2023, the District had \$54,686 invested in COLOTRUST.

Fidelity Investments Money Market Treasury Portfolio – Class III Fund

The District's funds that were included in the trust accounts at UMB Bank were invested in the Fidelity Investments Money Market Treasury Portfolio – Class III Fund ("Portfolio"). This Portfolio is a money market fund and each share is equal in value to \$1.00. All investments within the Portfolio are recorded at fair value and the District records its investment in the Portfolio at NAV. The Portfolio is AAAM rated and invests exclusively in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. The maturity of the underlying securities is 33 days or less. As of December 31, 2023, the District has \$578,143 invested in the Portfolio.

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

Note 3: Long Term Debt

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

	Balance <u>12/31/22</u>	Additions	Deletions	Balance <u>12/31/23</u>	Current Portion
<u>General Obligation Bonds</u>					
2020A G.O. Bonds	\$ 7,995,000	\$ -	\$ 35,000	\$ 7,960,000	\$ 50,000
2020B G.O. Bonds	1,162,000	-	-	1,162,000	-
2020B G.O. Bonds - Accrued Interest	<u>354,473</u>	<u>87,107</u>	<u>-</u>	<u>441,580</u>	<u>-</u>
Total	<u>9,511,473</u>	<u>87,107</u>	<u>35,000</u>	<u>9,563,580</u>	<u>50,000</u>
<u>Other</u>					
Developer Advances - Operating	123,319	70,856	-	194,175	-
Developer Advances - Operatin - Accrued Interest	<u>10,108</u>	<u>12,723</u>	<u>-</u>	<u>22,831</u>	<u>-</u>
Total	<u>133,427</u>	<u>83,579</u>	<u>-</u>	<u>217,006</u>	<u>-</u>
	<u>\$ 9,644,900</u>	<u>\$ 170,686</u>	<u>\$ 35,000</u>	<u>\$ 9,780,586</u>	<u>\$ 50,000</u>

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

Limited Tax General Obligation Refunding and Improvement Bonds, Series 2020A

On April 9, 2020, the District issued its \$7,995,000 Limited Tax General Obligation Refunding and Improvement Bonds, Series 2020A (the "Series 2020A Bonds"). Proceeds from the Series 2020A Bonds were used to refund the Series 2014A Senior Bonds and the Series 2014B Subordinate Bonds previously issued by the Residential District, finance public improvements related to the Development, pay capitalized interest on the Series 2020A Bonds, fund the Senior Reserve Fund and pay other costs in connection with the issuance of the Series 2020A Bonds and the Series 2020B Bonds (discussed below). The interest on the Series 2020A Bonds is 7% and is payable semi-annually on June 1 and December 1, commencing on June 1, 2020, and shall mature on December 1, 2049. The Series 2020A are subject to annual mandatory sinking fund principal payments on December 1, beginning on December 1, 2023. The Series 2020A Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, in whole or partial maturities, on June 1, 2025, and on any date thereafter, upon payment of par, accrued interest and a redemption premium that ranges between 0% to 3%.

The Series 2020A Bonds are secured and payable from the Pledged Revenue from the District consisting of the moneys derived from the following sources, net of any costs of collection: (i) the Senior Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy; (iii) the Senior PILOT Revenues; and (iv) any other legally available moneys which the Board determines to credit to the Senior Bond Fund and from the Residential District consisting of the moneys derived from the following sources, net of any costs of collection: (i) the Residential District Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Residential District Required Mill Levy; (iii) the Residential District PILOT Revenues; and (iv) any other legally

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

available moneys which the Residential District determines to credit to the Senior Bond Fund or the Subordinate Bonds Fund, as applicable. The Series 2020A Bonds are also secured by the Senior Reserve Fund in the Required Reserve Amount of \$769,550 and the Senior Surplus Fund up to the Maximum Surplus Amount of \$799,500. As of December 31, 2023, the Senior Reserve Fund has a balance of \$578,145 and the Senior Surplus Fund has a balance of \$0.

The occurrence or existence of any one or more of the following events shall be an Event of Default under the Series 2020A Senior Indenture: (a) The District fails or refuses to impose the Senior Required Mill Levy, to deposit with the Series 2020A Trustee all Senior Pledged Revenue or to apply the Senior Pledged Revenue as required by the Series 2020A Senior Indenture, or the Residential District fails or refuses to impose the Residential District Required Mill Levy or to apply the revenues resulting therefrom and from other sources of the Residential District Pledged Revenue as required under the Pledge Agreement; (b) The District materially defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Series 2020A Senior Indenture or the Bond Resolution, and fails to remedy the same after notice thereof pursuant to the Series 2020A Senior Indenture, or the Residential District fails in the performance of any other of its covenants in the Pledge Agreement, thereby causing an Event of Default pursuant to the Pledge Agreement, and the Residential District fails to remedy the same after notice thereof pursuant to the provisions of the Pledge Agreement; (c) Subject to the provisions of the Series 2020A Senior Indenture, the District fails to enforce or cooperate in the enforcement of any of the Trust Estate Agreement (as defined in the Series 2020A Indenture) upon a material default thereunder by any part thereto, if such material default could result in impairing or diminishing the collection or amount of the Senior Pledged Revenue or (d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2020A Bonds. Due to the limited nature of the Senior Pledged Revenue, the failure to pay the principal of or premium, if any, or interest on the Series 2020A Bonds when due shall not, of itself, constitute an Event of Default under the Series 2020A Senior Indenture.

In the event of default, the trustee shall have the following rights and remedies 1) receivership, 2) suit for judgment, and 3) mandamus or other suits. Acceleration of the Series 2020A Bonds is not an available remedy for an event of default.

The following is a summary of the annual long-term debt principal and interest requirement for the Series 2020A Bonds:

Year Ending, December 31,	Principal	Interest	Total
2024	\$ 50,000	\$ 557,200	\$ 607,200
2025	55,000	553,700	608,700
2026	70,000	549,850	619,850
2027	75,000	544,950	619,950
2028	90,000	539,700	629,700
2029-2033	655,000	2,585,800	3,240,800
2034-2038	1,110,000	2,297,400	3,407,400
2039-2043	1,745,000	1,825,950	3,570,950
2044-2048	2,670,000	1,094,450	3,764,450
2049	1,440,000	100,800	1,540,800
	<u>\$ 7,960,000</u>	<u>\$ 10,649,800</u>	<u>\$ 18,609,800</u>

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Subordinate Limited Tax General Obligation Bonds, Series 2020B

On April 9, 2020, the District issued \$1,162,000 of Subordinate Limited Tax General Obligation Bonds (the "Series 2020B Bonds"). The Series 2020B Bonds were issued to finance additional public improvements related to the Development. The Series 2020B Bonds mature on December 15, 2049 and bear an annual interest rate of 9% calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Subordinate Pledged Revenue available, annually on each December 15, commencing on December 15, 2021. Accrued unpaid interest will compound annually on each interest payment date. The Series 2020B Bonds discharge on December 16, 2059. The Series 2020B Bonds are subject to a mandatory sinking fund redemption commencing on December 15, 2020, from Subordinate Pledged Revenue, if any, on deposit in the subordinate bond fund. The Series 2020B Bonds are subject to redemption prior to maturity at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities, on June 1, 2025, and on any other date thereafter, upon payment of par, accrued interest and a redemption premium that ranges between 0% and 3%.

The Series 2020B Bonds are secured and payable from the Subordinate Pledged Revenue from the District consisting of the moneys derived from the following sources, net of any costs of collection: (i) the Subordinate Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy; (iii) any amount, if any, in the Senior Surplus Fund released to the District pursuant to the Series 2020A Senior Indenture; (iv) the Subordinate PILOT Revenues; and (v) any other legally available moneys which the District determines to credit to the Subordinate and the Residential District Pledged Revenue as described above.

The occurrence or existence of any one or more of the following events shall be an Event of Default under the Series 2020B Senior Indenture: (a) The District fails or refuses to impose the Subordinate Required Mill Levy, to deposit with the Series 2020B Trustee all Subordinate Pledged Revenue or to apply the Subordinate Pledged Revenue as required by the Series 2020B Subordinate Indenture, or the Residential District fails or refuses to impose the Residential District Required Mill Levy or to apply the revenues resulting therefrom and from other sources of the Residential District Pledged Revenue as required under the Pledge Agreement; (b) The District materially defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Series 2020B Subordinate Indenture or the Bond Resolution, and fails to remedy the same after notice thereof pursuant to the Series 2020B Subordinate Indenture, or the Residential District fails in the performance of any other of its covenants in the Pledge Agreement, thereby causing an Event of Default pursuant to the Pledge Agreement, and the Residential District fails to remedy the same after notice thereof pursuant to the provisions of the Pledge Agreement; (c) Subject to the provisions of the Series 2020B Subordinate Indenture, the District fails to enforce or cooperate in the enforcement of any of the Trust Estate Agreements upon a material default thereunder by any part thereto, if such material default could result in impairing or diminishing the collection or amount of the Subordinate Pledged Revenue or (d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2020B Bonds. Due to the limited nature of the Subordinate Pledged Revenue, the failure to pay the principal of or premium, if any, or interest on the Series 2020B Bonds when due shall not, of itself, constitute an Event of Default under the Series 2020B Subordinate Indenture.

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

In the event of default, the trustee shall have the following remedies 1) receivership, 2) suit for judgment, and 3) mandamus or other suits. Acceleration of the Series 2020B Bonds is not an available remedy for an event of default.

Due to the uncertainty of the timing of principal and interest payments on the Series 2020B Bonds, a schedule of the estimated timing of these payments is not available.

Operation Funding Agreements

On December 10, 2009, the District entered into a 2009 Operation Funding Agreement, effective as of January 1, 2009 (the “2009 OFA”) with City Center West, L.P. (the “Developer”). The 2009 OFA sets forth the terms and conditions under which the Developer advanced funds to the District for operations and maintenance expenses incurred in fiscal year 2009. The repayment obligation bears interest at a rate of 8%. The Developer’s obligation to advance funds expired on February 28, 2010, and the District’s obligation to reimburse the Developer for such advances expires on December 31, 2049. Any amounts outstanding after December 31, 2049, will be deemed discharged and satisfied in full.

On June 2, 2014, the District entered into a 2014 Operation Funding Agreement with the Developer, which was amended by a First Amendment approved on November 12, 2014, a Second Amendment approved on November 2, 2015, a Third Amendment approved November 7, 2016, and a Fourth Amendment dated November 5, 2018, (as so amended, the “2014 OFA”). On March 11, 2020, the District and Developer entered into an Amended and Restated Operation Funding Agreement, which amended and restated the 2014 OFA in its entirety, as amended by that certain First Amendment to the Amended and Restated Operation Funding Agreement, dated November 2, 2020 (as so amended, the “Amended and Restated OFA”) which sets forth the terms and conditions under which the Developer will advance funds to the District for operations and maintenance expenses incurred in fiscal years 2014 through 2021 up to the Shortfall Amount. On November 22, 2021, the District and Developer entered into the Second Amendment to the Amended and Restated OFA, which extends the period in which the Developer will cover the Shortfall Amount through fiscal year 2022. On November 7, 2022, the District and Developer entered into the Third Amendment to the Amended and Restated OFA, which extends the period in which the Developer will cover the Shortfall Amount through fiscal year 2024. On November 6, 2023, the District and Developer entered into the Fourth Amendment to the Amended and Restated OFA, which extends the period in which the Developer will cover the Shortfall Amount through fiscal year 2024. The repayment obligation bears interest at a rate of 8%. The Developer’s obligation to advance funds expires upon advance to the District of amounts sufficient to pay expenses incurred in 2014 through 2024, not to exceed the Shortfall Amount, and the District’s obligation to reimburse the Developer for such advances expires on December 31, 2044. Any amounts outstanding after December 31, 2044, will be deemed discharged and satisfied in full. The District’s reimbursement obligation under the Amended and Restated OFA is subordinate to the 2009 OFA.

As of December 31, 2023, the balance owed to the Developer under the Operation Funding Agreements was \$194,175 for principal and \$22,831 for accrued interest.

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Facilities Funding and Acquisition Agreement

On March 11, 2020, the District entered into a Facilities Funding and Acquisition Agreement (the “FFAA”) with the Developer with an effective date of January 1, 2020. The FFAA sets forth the terms and conditions pursuant to which the District will acquire public improvements constructed by the Developer. It is expected that a portion of the proceeds of the Series 2020A and Series 2020B Bonds will be used to reimburse the Developer for the costs of constructing public improvements and for organization expenses. As of December 31, 2023, there are no balances due to the Developer under the FFAA.

Debt Authorization

As of December 31, 2023, the District had \$487,161,119 of voted but unissued debt for providing public improvements, operations and maintenance, refunding, and various agreements and \$2,853,020 of additional debt capacity under its current Service Plan limit. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area. The District has not budgeted to issue any debt during 2023.

Note 4:

Agreements

Cost Sharing Agreement

On October 28, 2011, the Developer and NCMC+BH Greeley II, LLC, (“Banner”) entered into and recorded a Cost Sharing Agreement (the “Agreement”), which was acknowledged by the District and the City Center West Residential Metropolitan District (the “Residential District” and, collectively with the District, the “Districts”). Prior to the Agreement, Banner purchased a parcel of property adjacent to the development. The Agreement sets forth the terms and conditions under which the Developer or Banner will cause the installation of and share installation costs for certain infrastructure that serves both the Developer’s and Banner’s property. The Agreement provides that the Districts will pay the Developer’s portion of costs for the portion of the infrastructure that is contemplated by the Districts’ Service Plan. These costs will be paid from bond proceeds if: (i) the Districts issue and sell bonds related to the Service Plan infrastructure, (ii) funds are available from such bonds, and (iii) the Developer and Banner enter into a facility funding agreement related to the Service Plan. The Developer and Banner have not yet entered into a facility funding agreement as of December 31, 2023.

Capital Pledge Agreement

On December 1, 2014, the District entered into a Capital Pledge Agreement with the Residential District that required the District to impose ad valorem property taxes for payment of the Residential District’s Series 2014A Senior Bonds, the Series 2014B Subordinate Bonds, and any Additional Revenue Obligations (the “2014 Capital Pledge Agreement”). The lien on the pledged revenues had priority over any or all other obligations and liabilities of the District. The Residential District’s Series 2014A Senior Bonds and 2014B Subordinate Bonds were refunded by the District’s April 9, 2020 issuance of its Series 2020A Bonds and Series 2020B Bonds, and therefore, the 2014 Capital Pledge Agreement is no longer in effect.

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

On April 9, 2020, the Residential District entered into a Capital Pledge Agreement with the District, under which the Residential District agreed to pledge certain revenue to the District for the repayment of the District's Series 2020A Bonds, Series Subordinate Bonds, and Additional Obligations, including revenue generated from the imposition of the Residential District Required Mill Levy, specific ownership taxes derived from the imposition of the Residential District Required Mill Levy, and revenue remitted to or collected by the Residential District that is generated from the imposition of payments in lieu of taxes (PILOTs) pursuant to recorded covenants (collectively, the "Residential District Pledged Revenue"). The lien on the Residential District Pledged Revenue has priority over any or all other obligations and liabilities of the Residential District.

Intergovernmental Agreements

On November 12, 2014, the District entered into an intergovernmental agreement with the City of Greeley, Colorado, (the "City") as required by the Service Plan. This agreement states the District will not take any action, including the issuance of any obligations or the imposition of any tax, which would constitute a material departure from the terms of the Service Plan. Any material departure from the terms of the Service Plan will entitle the City to protect and enforce its rights by such suit, action, or special proceedings as the City deems appropriate.

On June 6, 2019, the District, the Residential District and City Center West Residential District No. 2 entered into an Intergovernmental Agreement Regarding Debt Allocation (the "Debt Allocation IGA"). Pursuant to the Debt Allocation IGA, the District, the Residential District and City Center West Residential District No. 2 acknowledge that the Service Plan establishes a combined total aggregate debt limitation for all three districts of \$20,000,000 (the "Service Plan Debt Limit") and that the three districts are responsible for the provision, financing, construction, operation and maintenance of public informative within the collective service area of the three districts. Under the Debt Allocation IGA, the District and the Residential District are allocated \$13,000,000 of the Service Plan Debt Limit and City Center West Residential District No. 2 is allocated \$7,000,000 of the Service Plan Debt Limit. The three districts may agree to reallocate the Service Plan Debt Limit upon written agreement.

Inclusion Covenant (8 Acres)

On March 11, 2020, the District, the Residential District, and BV Retail Land Holdings, LLLP ("BV Retail"), entered into an Inclusion Covenant (8 Acres), under which BV Retail covenanted that upon the occurrence of a triggering event, certain property it owns will be included into either the District or Residential District, as applicable, and that if such property is not included into one of the districts after a triggering event, or not included within 5 years of the effective date of the Inclusion Covenant (8 Acres), it will be subject to a covenant imposing a payment in lieu of taxes that is equivalent to the debt service mill levy imposed by the District.

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Inclusion Agreement for 8-Acre Parcel

On March 11, 2020, the District, the Residential District, and BV Retail Land Holdings, LLLP (“BV Retail”), entered into an Inclusion Agreement for 8-Acre Parcel, under which BV Retail agreed that upon the occurrence of a triggering event, certain property it owns will be included into either the District or Residential District. The Inclusion Agreement for 8-Acre Parcel also provides that, in the event such property becomes tax exempt, it will be subject to a covenant imposing a payment in lieu of taxes that is equivalent to the mill levies imposed by the District or Residential District, as applicable, and that if such property is not included into either the District or Residential District within 5 years of the effective date of the Inclusion Covenant (8 Acres), such property would be subject to a covenant imposing a payment in lieu of taxes that is equivalent to the debt service mill levy imposed by the District.

Exclusion/Inclusion Agreement for 20-Acre Parcel

On March 11, 2020, the District, the Residential District, and the Developer entered into an Exclusion/Inclusion Agreement for 20-Acre Parcel, under which the Developer agreed that, to the extent any property that it owns within the 20 acre parcel becomes residential property, such property shall be included into the Residential District, or, that such property will be excluded from the District and subsequently included into the Residential District, as applicable, and that such property will thereafter be subject to the Residential District’s mill levies.

Consent Agreement Regarding Exclusion/Inclusion Agreement for 20-Acre Parcel

On October 5, 2021, the District, the Residential District, and La Salle Investors, LLC entered into a Consent Agreement Regarding Exclusion/Inclusion Agreement for 20-Acre Parcel (the "Consent Agreement") under which La Salle agreed to perform the obligations of the Developer under the Exclusion/Inclusion Agreement for 20-Acre Parcel to ensure that property classified as "residential" would remain or be included into the Residential District, and that property classified as "commercial" would remain or be included into the District. The Consent Agreement recognizes that La Salle had purchased certain property from the Developer (the "La Salle Property"), which, as of the date of the Consent Agreement, was classified as "commercial," and thus in the District. However, to the extent that La Salle obtained City zoning approval to use the La Salle Property as "residential" property, La Salle would Petition the District to exclude the La Salle Property from the District and also petition the Residential District to include the La Salle Property into the Residential District. The Consent Agreement further recognizes the parties' intent that the La Salle Property be subject to the mill levy of only of one the District or Residential District, but not both.

Note 5: Related Party

All of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 6: Tax, Spending and Debt Limitations

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

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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

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

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

On November 6, 2007, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 7: Risk Management

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

The District pays annual premiums to the Pool for auto, public officials liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

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

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

- 1) Long-term liabilities such as bonds/developer advances and accrued bonds/developer advance interest payable are not due and payable in the current period and, therefore, are not in the funds.

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

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

- 1) Governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 2) governmental funds report developer advances as revenue; and
- 3) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTARY INFORMATION

CITY CENTER WEST COMMERCIAL METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 277,978	\$ 276,504	\$ (1,474)
Specific ownership taxes	16,679	11,885	(4,794)
Interest income	<u>5,000</u>	<u>39,560</u>	<u>34,560</u>
 Total Revenues	 <u>299,657</u>	 <u>327,949</u>	 <u>28,292</u>
 EXPENDITURES			
Bond interest expense	664,230	559,650	104,580
Bond principal	35,000	35,000	-
Paying agent/trustee fees	3,000	7,206	(4,206)
Treasurer's fees	<u>4,170</u>	<u>4,147</u>	<u>23</u>
 Total Expenditures	 <u>706,400</u>	 <u>606,003</u>	 <u>100,397</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (406,743)	 (278,054)	 128,689
 OTHER FINANCING SOURCES (USES)			
Transfers from other Districts	<u>30,171</u>	<u>48,563</u>	<u>18,392</u>
 Total Other Financing Sources (Uses)	 <u>30,171</u>	 <u>48,563</u>	 <u>18,392</u>
 NET CHANGE IN FUND BALANCE	 (376,572)	 (229,491)	 147,081
 FUND BALANCE:			
BEGINNING OF YEAR	<u>865,949</u>	<u>873,028</u>	<u>7,079</u>
END OF YEAR	<u>\$ 489,377</u>	<u>\$ 643,537</u>	<u>\$ 154,160</u>