

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 1
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

INDEPENDENT AUDITOR’S REPORT	I
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 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	22



Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Denargo Market Metropolitan District No. 1
City and County of Denver, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Denargo Market Metropolitan District No. 1 (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2024, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 opinion on the basic financial statements is 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 basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Duggio & Associates, P.C.

July 1, 2025

BASIC FINANCIAL STATEMENTS

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Investments	\$ 569,811
Cash and Investments - Restricted	21,800
Prepaid Insurance	6,959
Prepaid Expenses	178
Due from District No. 3	3,194,993
Capital Assets:	
Capital Assets Not Being Depreciated	27,079,527
Capital Assets Net of Depreciation	<u>3,294,969</u>
Total Assets	<u>34,168,237</u>
LIABILITIES	
Accounts Payable	410,646
Payroll Liabilities Payable	444
Due to Denargo No. 2	3,933
Noncurrent Liabilities:	
Due in More Than One Year	<u>6,938,123</u>
Total Liabilities	<u>7,353,146</u>
NET POSITION	
Net Investment in Capital Assets	23,594,661
Restricted for:	
Emergency Reserve	21,800
Unrestricted	<u>3,198,630</u>
Total Net Position	<u><u>\$ 26,815,091</u></u>

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	Expenses				
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 687,167	\$ 11,250	\$ 695,315	\$ 23,985,689	\$ 24,005,087
Interest on Long-Term Debt and Related Costs	972,919	-	-	-	(972,919)
Total Governmental Activities	<u>\$ 1,660,086</u>	<u>\$ 11,250</u>	<u>\$ 695,315</u>	<u>\$ 23,985,689</u>	23,032,168
GENERAL REVENUES					
Interest Income					20,944
Total General Revenues and Transfers					<u>20,944</u>
CHANGES IN NET POSITION					23,053,112
Net Position - Beginning of Year					<u>3,761,979</u>
NET POSITION - END OF YEAR					<u>\$ 26,815,091</u>

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 569,811	\$ -	\$ 569,811
Cash and Investments - Restricted	21,800	-	21,800
Prepaid Insurance	6,959	-	6,959
Prepaid Expenses	178	-	178
Due from District No. 3	7,660	3,187,333	3,194,993
	<u>606,408</u>	<u>3,187,333</u>	<u>3,793,741</u>
Total Assets	<u>\$ 606,408</u>	<u>\$ 3,187,333</u>	<u>\$ 3,793,741</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 89,165	\$ 321,481	\$ 410,646
Due to Denargo No. 2	3,933	-	3,933
Payroll Liabilities Payable	444	-	444
Total Liabilities	<u>93,542</u>	<u>321,481</u>	<u>415,023</u>
FUND BALANCES			
Nonspendable:			
Prepaid Expense	7,137	-	7,137
Restricted for:			
Emergency Reserves	21,800	-	21,800
Assigned to:			
Subsequent Year's Expenditures	16,092	-	16,092
Capital Projects	-	2,865,852	2,865,852
Unassigned	467,837	-	467,837
Total Fund Balances	<u>512,866</u>	<u>2,865,852</u>	<u>3,378,718</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 606,408</u>	<u>\$ 3,187,333</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	30,374,496
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Developer Advance Payable	<u>(6,938,123)</u>
Net Position of Governmental Activities	<u>\$ 26,815,091</u>

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Capital Projects	Total Governmental Funds
REVENUES			
Permit Fees	\$ 11,250	\$ -	\$ 11,250
Interest Income	20,944	-	20,944
IGA Revenue - District No. 2	546,628	-	546,628
IGA Revenue - District No. 3	148,687	23,985,689	24,134,376
Total Revenues	<u>727,509</u>	<u>23,985,689</u>	<u>24,713,198</u>
EXPENDITURES			
Current:			
Accounting	57,333	7,851	65,184
Auditing	14,400	-	14,400
City Of Denver Annual Fee	9,000	-	9,000
Directors' Fees	2,900	-	2,900
District Management	69,042	-	69,042
Dues and Membership	1,180	-	1,180
Engineering	-	43,816	43,816
Insurance	15,656	-	15,656
Landscape and Irrigation Repairs	1,432	-	1,432
Landscape Maintenance	17,585	-	17,585
Legal	53,734	8,492	62,226
Locates	12,452	-	12,452
Miscellaneous	2,868	-	2,868
Payroll Taxes	222	-	222
Project Management Fee	-	3,592,660	3,592,660
Repairs and Maintenance	2,073	-	2,073
Security	19,556	-	19,556
Site Lighting	7,338	-	7,338
Site Inspection	120,488	-	120,488
Snow Removal	35,087	-	35,087
Street Repair and Maintenance	8,240	-	8,240
Trash Collection	320	-	320
Utilities	3,415	-	3,415
Capital Projects:			
Capital Outlay	-	23,486,867	23,486,867
Total Expenditures	<u>454,321</u>	<u>27,139,686</u>	<u>27,594,007</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	273,188	(3,153,997)	(2,880,809)
OTHER FINANCING SOURCES (USES)			
Developer Advance	-	23,486,867	23,486,867
Repay Developer Advance - Principal	-	(16,707,032)	(16,707,032)
Repay Developer Advance - Interest	-	(814,631)	(814,631)
Transfers In (Out)	(8,117)	8,117	-
Total Other Financing Sources (Uses)	<u>(8,117)</u>	<u>5,973,321</u>	<u>5,965,204</u>
NET CHANGE IN FUND BALANCES	265,071	2,819,324	3,084,395
Fund Balances - Beginning of Year	<u>247,795</u>	<u>46,528</u>	<u>294,323</u>
FUND BALANCES - END OF YEAR	<u>\$ 512,866</u>	<u>\$ 2,865,852</u>	<u>\$ 3,378,718</u>

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
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, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 3,084,395

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. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay	27,079,527
Depreciation Expense	(172,687)

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

Developer Advance	(23,486,867)
Repay Developer Advance	16,707,032

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable Developer Advance - Change in Liability	(158,288)
--	-----------

Changes in Net Position of Governmental Activities	\$ 23,053,112
--	---------------

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Permit Fees	\$ 15,000	\$ 11,250	\$ (3,750)
Interest Income	12,000	20,944	8,944
IGA Revenue - District No. 2	560,494	546,628	(13,866)
IGA Revenue - District No. 3	145,890	148,687	2,797
Total Revenues	733,384	727,509	(5,875)
EXPENDITURES			
Accounting	52,000	57,333	(5,333)
Auditing	14,400	14,400	-
City of Denver Annual Fee	9,000	9,000	-
Contingency	11,670	-	11,670
Detention Pond Cleanup	5,000	-	5,000
Directors' Fees	3,000	2,900	100
District Management	54,000	69,042	(15,042)
Dues and Membership	2,000	1,180	820
Insurance	16,000	15,656	344
Landscape and Irrigation Repairs	35,000	1,432	33,568
Landscape Maintenance	35,000	17,585	17,415
Legal	55,000	53,734	1,266
Locates	15,000	12,452	2,548
Miscellaneous	2,500	2,868	(368)
Payroll Taxes	230	222	8
Repairs and Maintenance	25,000	2,073	22,927
Security	30,000	19,556	10,444
Site Lighting	5,000	7,338	(2,338)
Site Inspection	120,000	120,488	(488)
Snow Removal	75,000	35,087	39,913
Street Sweeping	1,000	-	1,000
Street Repair and Maintenance	10,000	8,240	1,760
Trash Collection	31,200	320	30,880
Utilities	6,000	3,415	2,585
Total Expenditures	613,000	454,321	158,679
EXCESS OF REVENUES OVER EXPENDITURES	120,384	273,188	152,804
OTHER FINANCING SOURCES (USES)			
Transfers To Other Fund	-	(8,117)	(8,117)
Total Other Financing Uses	-	(8,117)	(8,117)
NET CHANGE IN FUND BALANCE	120,384	265,071	144,687
Fund Balance - Beginning of Year	256,911	247,795	(9,116)
FUND BALANCE - END OF YEAR	<u>\$ 377,295</u>	<u>\$ 512,866</u>	<u>\$ 135,571</u>

See accompanying Notes to Basic Financial Statements.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

Organization

Denargo Market Metropolitan District No. 1 (the District, District No. 1, or Management District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by recorded Order and Decree of the District Court for the City and County of Denver (the City) on June 30, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on March 8, 2010, and Amended on March 30, 2023. The District's service boundaries are located entirely within the City. The District is one of three related districts: Denargo Market Metropolitan Districts Nos. 1, 2, and 3 (the District, District No. 2, District No. 3, and collectively, the Districts). As of December 31, 2024, the Districts have the same membership of their respective Boards of Directors. Pursuant to the Service Plan, Districts Nos. 2 and 3 are referred to as the Financing Districts or Taxing Districts and District No. 1 is the Management District.

The District, in its capacity as the Management District, is responsible for managing, implementing, and coordinating the financing, acquisition, construction, completion, operation and maintenance of all public infrastructure and services within and without the project known as Denargo Market. The Financing Districts provide the funding for the improvements and the tax base needed to support ongoing operations of the Districts.

The Taxing Districts are responsible for supporting the Management District in managing, implementing and coordinating the financing, acquisition, construction, completion, and maintenance of the Improvements (as defined in the Service Plan), some of which may ultimately be transferred to the City or other governmental entity, and the provision of related services within and without the boundaries of the Districts and the Service Area (as defined in the Service Plan).

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

The District 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 District is not financially accountable to any other organization, nor is the District a component unit of any other primary governmental entity.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District 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 District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows 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 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 government 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 property taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major governmental funds:

The General Fund is the District'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 resources to be used for the acquisition and construction of capital equipment and facilities.

Budgets

In accordance with the State Budget Law, the District's Board of Directors 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 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 District has amended its annual budget for the year ended December 31, 2024.

Pooled Cash and Investments

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 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.

Capital Assets

Capital assets, which include property and equipment, are reported by the District. Capital assets are defined by the District 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Streets	30 Years
Sidewalks	30 Years
Street Lights	30 Years
Parks	30 Years

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District'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 Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

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 Directors 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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 569,811
Cash and Investments - Restricted	21,800
Total Cash and Investments	<u>\$ 591,611</u>

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

Deposits with Financial Institutions	\$ 100,582
Investments	491,029
Total Cash and Investments	<u>\$ 591,611</u>

Deposits with Financial Institutions

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

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

At December 31, 2024, the District had a bank balance of \$100,582 and a carrying balance of \$100,582.

Investments

The District has adopted an investment policy by which it follows state statutes regarding investments.

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

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

As of December 31, 2024, the District 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	\$ 491,029
		<u>\$ 491,029</u>

COLOTRUST

The District 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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investing 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.

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 AAAs/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District 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.

The District holds all its investments in the COLOTRUST PLUS+ portfolio.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 27,079,527	\$ -	\$ 27,079,527
Total Capital Assets, Not Being Depreciated	-	27,079,527	-	27,079,527
Capital Assets, Being Depreciated:				
Streets	2,542,371	-	-	2,542,371
Parks	2,638,235	-	-	2,638,235
Total Capital Assets, Being Depreciated	5,180,606	-	-	5,180,606
Less Accumulated Depreciation for:				
Streets	(847,460)	(84,746)	-	(932,206)
Parks	(865,490)	(87,941)	-	(953,431)
Total Accumulated Depreciation	(1,712,950)	(172,687)	-	(1,885,637)
Total Capital Assets, Being Depreciated, Net	3,467,656	(172,687)	-	3,294,969
Governmental Activities Capital Assets, Net	<u>\$ 3,467,656</u>	<u>\$ 26,906,840</u>	<u>\$ -</u>	<u>\$ 30,374,496</u>

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged for functions/programs of the District as follows:

Governmental Activities:

General Government	\$ 172,687
Total Depreciation Expense -	
Governmental Activities	<u>\$ 172,687</u>

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Other Debts:					
Developer Advance - Capital	\$ -	\$ 23,486,867	\$ 16,707,032	\$ 6,779,835	\$ -
Accrued Interest on:					
Developer Advance - Capital	-	972,919	814,631	158,288	-
Subtotal Other Debts	<u>-</u>	<u>24,459,786</u>	<u>17,521,663</u>	<u>6,938,123</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ -</u>	<u>\$ 24,459,786</u>	<u>\$ 17,521,663</u>	<u>\$ 6,938,123</u>	<u>\$ -</u>

Debt Authorization Limit

The Districts were organized to provide services to the same service area pursuant to their respective Service Plans. The Districts, in aggregate, are limited in their ability to issue debt, as set forth in the respective Service Plans, to a total amount of \$142,000,000 (the Service Plan Debt Issuance Limit). With the prior written approval by the Manager of Finance of the City and County of Denver, the Districts may exceed the Service Plan Debt Issuance Limit by an amount not to exceed \$5,000,000. In no event is the District authorized to issue debt, which in the aggregate with the debt issued by District No. 2 and District No. 3, is in excess of the Service Plan Debt Issuance Limit. Of the \$142,000,000 in Service Plan Debt Issuance Limit, the Districts have issued the following debt to date: the District has issued \$7,191,918, District No. 2 has issued \$35,028,610, and District No. 3 has issued \$32,265,000, for a total of \$74,485,528 (Aggregate Issuance). Therefore, the amount of debt authorization remaining within the Service Plan Debt Issuance Limit for the Districts combined is \$67,514,472 (Remaining Service Plan Authority).

Service Plan Debt Issuance Limit	Aggregate Issuance	Remaining Service Plan Authority
\$142,000,000 -	\$74,485,528 =	\$67,514,472

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization Limit (Continued)

The District has voter authorization in excess of the Service Plan Debt Issuance Limit as at the time of the elections the actual costs of construction were not known. Without knowing the costs of construction or the amount of debt to be issued by District No. 2 and District No. 3, it is not possible to allocate the Service Plan Debt Issuance Limit by power (such as water, sewer or streets) or to each of the Districts. Therefore, the Service Plan Debt Issuance Limit was voted in every power.

With that understanding, a majority of the eligible electors of the District voted to authorize debt issuance, with an interest rate not to exceed 18% per annum, on the following election dates: May 4, 2010, not to exceed \$25,615,500 by power; on May 6, 2014, not to exceed \$25,615,500 by power; and on May 2, 2023 not to exceed \$142,000,000 by power, as follows:

	Amount Authorized on May 4, 2010	Amount Authorized on May 6, 2014	Series 2010 Subordinate Note	Amount Authorized on May 2, 2023	Authorized but Unused
Streets	\$ 25,615,500	\$ 25,615,500	\$ -	\$ 142,000,000	\$ 193,231,000
Parks and Recreation	25,615,500	25,615,500	-	142,000,000	193,231,000
Water	25,615,500	25,615,500	-	142,000,000	193,231,000
Sanitation	25,615,500	25,615,500	-	142,000,000	193,231,000
Transportation	25,615,500	25,615,500	-	142,000,000	193,231,000
Mosquito Control	25,615,500	25,615,500	-	142,000,000	193,231,000
Traffic and Safety Controls	25,615,500	25,615,500	-	142,000,000	193,231,000
Operations and Maintenance	25,615,500	25,615,500	-	142,000,000	193,231,000
Refundings	25,615,500	25,615,500	-	142,000,000	193,231,000
Intergovernmental Agreements	25,615,500	25,615,500	-	142,000,000	193,231,000
Television Relay and Translation	-	25,615,500	-	-	25,615,500
Security Services and Improvements	-	25,615,500	-	142,000,000	167,615,500
Debt Issuances	-	-	(7,191,918)	-	(7,191,918)
Total	<u>\$ 256,155,000</u>	<u>\$ 307,386,000</u>	<u>\$ (7,191,918)</u>	<u>\$ 1,562,000,000</u>	<u>\$ 2,118,349,082</u>

In the future, the Districts may issue a portion or all of the Remaining Service Plan Authority for purposes of providing public improvements to support development as it occurs within the Districts' service area.

Any increase in the debt limit issuance of debt over the Service Plan Debt Issuance Limit will be considered a material modification of the Service Plan which would require approval from the City and County of Denver.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 DISTRICT AGREEMENTS

Memorandum of Understanding

A Memorandum of Understanding was entered into on October 29, 2010, and amended on August 22, 2016, by and among the District, District No. 2 and District No. 3 (MOU). The MOU acknowledges that District No. 1 shall provide for the financing, construction, design, operation, and maintenance of the Improvements, as well as the overall administration of the Districts and further acknowledges that the District has the authority to enter into agreement(s) and other obligations with the developer of the Property, Denargo Market Development, LLC (the Original Developer) to provide for the financing of such services. The First Amendment to MOU acknowledges District No. 2 will issue debt to repay the Note issued by the Original Developer (which has since been paid off) and District No. 2 and District No. 3 (at such time as it has real property within its boundaries) will impose an operation mill levy to fund the Districts' services provided by the District. The First Amendment to MOU acknowledges that the Districts will enter into an IGA detailing such services (District IGA).

The First Amendment to MOU also provides that the District IGA shall provide for District No. 2 and District No. 3 to remit revenues to the District for all costs incurred by the District pursuant to the First Amendment to MOU based on an allocable basis to be set forth in the District IGA. The District IGA also provides for the District and District No. 3 to reimburse District No. 2 for any debt issued by District No. 2 for public improvements based in allocable basis to be set forth in the District IGA.

During the year ended December 31, 2024, District No. 2 transferred a total of \$546,628 and District No. 3 transferred a total of \$148,687 to the District, representing property and specific ownership taxes collected by District No. 2 and District No. 3.

NOTE 7 NET POSITION

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

Investment in capital assets consists 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, if any. As of December 31, 2024, the District had investment in capital assets calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 23,594,661
Net Investment in Capital Assets	<u>\$ 23,594,661</u>

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 NET POSITION (CONTINUED)

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulation of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2024, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 21,800
Total Restricted Net Position	<u>\$ 21,800</u>

NOTE 8 RELATED PARTY

Some members of the Board of Directors of the District may be or have been employees, consultants, owners of, or otherwise associated with the prior developer of the property located within the Districts, JV Denargo LLC (Prior Developer), or the current developer of the property located within the Districts, JV LoDo Denargo LLC (Developer) and may have conflicts of interest in dealing with the District. Specific details of transactions with the Prior Developer and the Developer regarding advances and debt are described elsewhere in these footnotes.

2022-2025 Operation Funding Agreement

On October 11, 2022, the District and the Prior Developer entered into the 2022-2025 Operation Funding Agreement (OFA). Pursuant to the OFA, the Prior Developer agreed to advance funds (Developer Advance) up to \$100,000 towards the District's operations, maintenance and administrative expenses incurred for fiscal years 2022 through 2025. Simple interest shall accrue on each Developer Advance from the date of deposit into the District's account or from the date of direct payment by the Prior Developer, until paid in full, at the rate of 8% per annum. Developer's obligation to make any Developer Advances expires on December 31, 2025. Any Developer Advance not reimbursed by the District to the Prior Developer by December 31, 2025 shall be deemed to be forever discharged and satisfied in full. As of December 31, 2024 there were no amounts outstanding under the OFA.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 RELATED PARTY (CONTINUED)

2022-2025 Facilities Funding and Acquisition Agreement

On October 11, 2022, the District and the Prior Developer entered into the 2022-2025 Facilities Funding and Acquisition Agreement (FFAA). Pursuant to the FFAA, the Prior Developer agreed to fund up to \$25,000,000 towards Construction Related Expenses, including Improvements (both as defined in the FFAA). The Prior Developer shall provide certain documents and materials to the District as set forth in the FFAA before requesting that any Improvements be acquired by the District. Simple interest shall accrue on Construction Related Expenses at the rate of 8% per annum from the date of deposit into the District's account until paid in full. Payments by the District to the Prior Developer shall credit first against accrued and unpaid interest and then to the principal amount due. The Prior Developer's obligation to pay any Construction Related Expenses expires on December 31, 2025. Any Construction Related Expenses not reimbursed by the District to the Prior Developer by December 31, 2062 shall be deemed to be forever discharged and satisfied in full. As of December 31, 2024 there were no amounts outstanding under the FFAA.

Termination of 2022-2025 Facilities Funding and Acquisition Agreement (with Prior Developer)

On January 29, 2024, the District and the Prior Developer terminated the FFAA (Termination Agreement).

2022-2025 Facilities Funding and Acquisition Agreement (with JV LoDo Denargo LLC)

Simultaneously with the execution of the Termination Agreement, the District and the Developer entered into the 2022-2025 Facilities Funding and Acquisition Agreement, dated January 29, 2024 and amended on November 12, 2024 (JV LoDo FFAA). Pursuant to the JV LoDo FFAA, the Developer agreed to fund up to \$50,000,000 towards Construction Related Expenses, including Improvements (both as defined in the JV LoDo FFAA). The Developer shall provide certain documents and materials to the District as set forth in the JV LoDo FFAA before requesting that any Improvements be acquired by the District. Simple interest shall accrue on Prior Advances (as defined in the JV LoDo FFAA) and Construction Related Expenses at the rate of 8% per annum from the date of deposit into the District's account until paid in full. Payments by the District to the Developer shall credit first against accrued and unpaid interest and then to the principal amount due. The Developer's obligation to pay any Construction Related Expenses expires on December 31, 2025. Any Construction Related Expenses not reimbursed by the District to Developer by December 31, 2062 shall be deemed to be forever discharged and satisfied in full.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 RELATED PARTY (CONTINUED)

Project Management Service Agreement

On March 20, 2024, the District and the Developer entered into the Project Management Agreement. Under the terms of the Project Management Agreement, the District retained the Developer as the Project Manager (Project Manager) to plan and coordinate the construction and installation of improvements (Project Management Agreement). The Project Manager will provide, and has provided since 2019 without compensation (Prior Work), management services relating to the planning, design, construction and installation of improvements and obtaining municipal approvals for improvements. In exchange for these services the District will compensate the Project Manager 8% of the total cost of the Improvements (Project Manager Fee), which is \$4,446,940.70 (Fee) incurred in connection with the construction and installation of the Improvements, as defined in the Project Management Agreement. By letter dated March 19, 2024, the Schedio Group, and independent engineering firm, verified that the Project Manager Fee is fair and reasonable.

Pursuant to the Project Management Agreement, the District agreed to pay the Project Manager an initial payment of \$2,223,470.35 for such Prior Work, which shall be subtracted from the Fee and agreed to pay the remainder of the Fee (\$2,223,470.35) minus a 10% holdback (\$222,347.04) equaling \$2,001,123.32 (Remainder Fee) until Substantial Completion (as defined in the Project Manager's GMP contract with the contractor). The Project Manager shall invoice the District the Remainder Fee by prorating it on a monthly basis through the contractual completion dates associated with the Improvements. The Project Management Agreement shall expire upon satisfactory completion of the management services and payment of all compensation owed by the District to the Project Manager. As of December 31, 2024, the District has paid \$3,592,660 in project Management Fees.

NOTE 9 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to Capital Projects Fund was due to insufficient funds in the Capital projects fund to pay all capital invoices.

NOTE 10 RISK MANAGEMENT

The District 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 natural disasters.

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

The District pays annual premiums to the Pool for general and automobile liability, public officials, auto physical damage, and worker's compensation coverage. In the event aggregate losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds, which the Pool determines are not needed for purposes of the Pool, may be returned to the members pursuant to a distribution formula.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 11 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.

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.

On May 4, 2010 and May 6, 2014, the voters approved the District to increase property taxes \$3,000,000 annually for the purpose of paying the District's operations and maintenance expenses and \$6,000,000 (up to 10 mills) for paying the costs associated with regional improvements as required by the City, without regard to any spending, revenue raising or other limitation contained within Article X, Section 20 of the Colorado Constitution or any other property tax limitation or law.

Additionally, the voters authorized the District to collect, retain and spend all revenues received by the District during 2011 and all subsequent years as voter-approved revenue changes without regard to any spending, revenue raising or other limitation.

On May 2, 2023, the voters approved the District to increase property taxes \$5,000,000 annually for the purpose of paying the District's operations, maintenance and capital expenses without limitation as to rate or amount and \$6,000,000 annually up to 15 mills, provided that such mill levy rate may be adjusted by the Board of Directors to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation occurring after March 8, 2010 so that, to the extent possible, the actual revenues generated by such mill levy are neither diminished nor enhanced as a result of such changes, for the purpose of paying costs associate with the regional infrastructure improvements as required by the City, without regard to any spending, revenue raising or other limitation contained within Article X, Section 20 of the Colorado Constitution or any other property tax limitation or law.

On May 6, 2025, the qualified electors of the District approved an election question to waive the 5.25% property tax limit established under Section 29-1-1702, C.R.S. for 2025 and all future property tax years.

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 and qualification as an Enterprise will require judicial interpretation.

SUPPLEMENTARY INFORMATION

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Budgets		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest Income	\$ 233	\$ -	\$ -	\$ -
Other Revenue	-	413,810	-	(413,810)
IGA Revenue - District No. 2	529,314	-	-	-
IGA Revenue - District No. 3	21,841,800	22,000,000	23,985,689	1,985,689
Total Revenues	22,371,347	22,413,810	23,985,689	1,571,879
EXPENDITURES				
Accounting	30,000	12,000	7,851	4,149
Engineering	60,000	42,000	43,816	(1,816)
Legal	30,000	12,000	8,492	3,508
Capital Outlay	12,770,314	18,251,000	23,486,867	(5,235,867)
Project Management Fee	-	1,369,190	3,592,660	(2,223,470)
Contingency	233	413,810	-	413,810
Total Expenditures	12,890,547	20,100,000	27,139,686	(7,039,686)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	9,480,800	2,313,810	(3,153,997)	(5,467,807)
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	29,000,000	23,486,867	(5,513,133)
Repay Developer Advance - Principal	(9,500,453)	(24,000,000)	(16,707,032)	7,292,968
Repay Developer Advance - Interest	-	(900,000)	(814,631)	85,369
Transfers From Other Funds	-	-	8,117	8,117
Total Other Financing Sources	(9,500,453)	4,100,000	5,973,321	1,873,321
NET CHANGE IN FUND BALANCE	(19,653)	6,413,810	2,819,324	(3,594,486)
Fund Balance - Beginning of Year	19,653	46,528	46,528	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 6,460,338</u>	<u>\$ 2,865,852</u>	<u>\$ (3,594,486)</u>