JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

Financial Statements

Year Ended December 31, 2023

with

Independent Auditor's Report

C O N T E N T S

C O N T E N T S – (CONTINUED)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jefferson Center Metropolitan District No. 1
Jefferson County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Jefferson Center Metropolitan District No. 1 (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 thereof, 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.

Fiscal Focus Partners, LLC

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Auditor's Responsibility 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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 opinions on the basic financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Continuing Disclosure Annual Financial Information

The continuing disclosure annual financial information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Fiscal Focus Partners, LLC

Arvada, Colorado
September 26, 2024

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

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

	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Net Position
ASSETS						
Cash and investments	$ 189,519	$ -	$ -	$ 189,519	$ -	$ 189,519
Cash and investments - restricted	7,639	16,453,246	20,921,754	37,382,639	-	37,382,639
Receivable - County Treasurer	1,460	14,604	-	16,064	-	16,064
Property taxes receivable	227,336	2,275,211	-	2,502,547	-	2,502,547
Prepaid expenses	9,913	-	-	9,913	-	9,913
Water rights	-	-	-	-	2,464,664	2,464,664
Construction in progress	-	-	-	-	57,178,743	57,178,743
Capital assets, net of accumulated depreciation	-	-	-	-	86,713	86,713
Total Assets	$ 435,867	$ 18,743,061	$ 20,921,754	$ 40,100,682	59,730,120	99,830,802
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	-	-	-	-	1,340,858	1,340,858
Total Deferred Outflows of Resources	-	-	-	-	1,340,858	1,340,858
Total Assets and Deferred Outflows of Resources	$ 435,867	$ 18,743,061	$ 20,921,754	$ 40,100,682		
LIABILITIES						
Accounts payable	$ 13,128	$ -	$ 759,463	$ 772,591	-	772,591
Retainage payable	-	-	639,670	639,670	-	639,670
Accrued interest on bonds	-	-	-	-	290,954	290,954
Due to Developer	-	-	28,994	28,994	-	28,994
Due to JCMD #2	34,066	56,127	-	90,193	-	90,193
Long-term liabilities:						
Due within one year	-	-	-	-	1,966,836	1,966,836
Due in more than one year	-	-	-	-	130,717,175	130,717,175
Total Liabilities	47,194	56,127	1,428,127	1,531,448	132,974,965	134,506,413
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	227,336	2,275,211	-	2,502,547	-	2,502,547
Total Deferred Inflows of Resources	227,336	2,275,211	-	2,502,547	-	2,502,547
FUND BALANCES						
Fund Balances:						
Nonspendable:						
Prepaids	9,913	-	-	9,913	(9,913)	-
Restricted:						
Emergencies	7,639	-	-	7,639	(7,639)	-
Debt service	-	16,411,723	-	16,411,723	(16,411,723)	-
Capital projects	-	-	19,493,627	19,493,627	(19,493,627)	-
Assigned:						
Subsequent years disbursements	175,418	-	-	175,418	(175,418)	-
Unassigned	(31,633)	-	-	(31,633)	31,633	-
Total Fund Balances	161,337	16,411,723	19,493,627	36,066,687	(36,066,687)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 435,867	$ 18,743,061	$ 20,921,754	$ 40,100,682		
NET POSITION						
Net investment in capital assets					(128,791,776)	(128,791,776)
Restricted for:						
Emergencies					7,639	7,639
Debt service					16,120,769	16,120,769
Capital projects					19,493,627	19,493,627
Unrestricted					57,332,441	57,332,441
Total Net Position					$ (35,837,300)	$ (35,837,300)

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

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Activities
EXPENDITURES						
Accounting and audit	$ 28,570	$ -	$ -	$ 28,570	$ -	$ 28,570
Election expense	14,618	-	-	14,618	-	14,618
Engineering	-	-	1,088,686	1,088,686	(1,088,686)	-
Insurance	6,679	-	-	6,679	-	6,679
Landscape maintenance	33,459	-	-	33,459	-	33,459
Landscape repairs	7,653	-	-	7,653	-	7,653
Legal	135,669	-	212,730	348,399	-	348,399
Management fees	24,873	-	-	24,873	-	24,873
Miscellaneous expenses	2,161	-	-	2,161	-	2,161
Project management	1,161	-	966,163	967,324	(966,163)	1,161
Repairs and maintenance	38,127	-	-	38,127	-	38,127
Snow removal	1,510			1,510		1,510
Treasurer's fees	1,337	13,375	-	14,712	-	14,712
Utilities	10,102	-	-	10,102	-	10,102
Bond issuance costs	-	-	70,000	70,000	-	70,000
Series 2020 A-1 principal	-	2,140,000	-	2,140,000	(2,140,000)	-
Series 2020 A-1 Interest	-	509,300	-	509,300	119,154	628,454
Series 2020 A-2 Interest	-	696,919	-	696,919	15,300	712,219
Series 2020 B Interest	-	4,656,063	-	4,656,063	99,194	4,755,257
Paying agent fee	-	8,300	-	8,300	-	8,300
Developer reimbursement	-	-	881,894	881,894	-	881,894
Series 2010B interest expense	-	-	57,650	57,650	735,546	793,196
Transfer to JCMD #2 Debt Service	-	1,428,896	-	1,428,896	-	1,428,896
Transfer to JCMD #2 General Fund	55,309	-	-	55,309	-	55,309
Transfer to Mt Shadows for O&M	10,853	-	-	10,853	-	10,853
Capital improvements	-	-	20,040,309	20,040,309	(20,040,309)	-
Depreciation expense	-	-	-	-	9,489	9,489
Total Expenditures	372,081	9,452,853	23,317,432	33,142,366	(23,256,475)	9,885,891
GENERAL REVENUES						
Property taxes	301,436	3,014,418	-	3,315,854	-	3,315,854
Less AURA portion of District taxes	(212,402)	(2,124,058)	-	(2,336,460)	-	(2,336,460)
Specific ownership taxes	23,564	235,645	-	259,209	-	259,209
AURA tax increment	212,402	2,124,058	-	2,336,460	-	2,336,460
AURA increment - other governments	-	1,428,896	-	1,428,896	-	1,428,896
Interest income	72,956	900,075	1,244,470	2,217,501	-	2,217,501
Other reimbursements	-	-	63,663	63,663	-	63,663
Transfer from JCMD#2	-	1,685,626	-	1,685,626	-	1,685,626
Total General Revenues	397,956	7,264,660	1,308,133	8,970,749	-	8,970,749
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	25,875	(2,188,193)	(22,009,299)	(24,171,617)	23,256,475	(915,142)
OTHER FINANCING SOURCES (USES)						
Developer advances	-	-	11,798,323	11,798,323	(11,798,323)	-
Total Other Financing Sources (Uses)	-	-	11,798,323	11,798,323	(11,798,323)	-
NET CHANGES IN FUND BALANCES	25,875	(2,188,193)	(10,210,976)	(12,373,294)	12,373,294	-
CHANGE IN NET POSITION					(915,142)	(915,142)
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	135,462	18,599,916	29,704,603	48,439,981	(83,362,139)	(34,922,158)
END OF YEAR	$ 161,337	$ 16,411,723	$ 19,493,627	$ 36,066,687	$ (71,903,987)	$ (35,837,300)

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

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 330,030	$ 301,436	$ (28,594)
Less AURA portion of District taxes	(232,431)	(212,402)	20,029
Specific ownership taxes	19,802	23,564	3,762
AURA tax increment	232,431	212,402	(20,029)
Interest income	1,716	72,956	71,240
Total Revenues	351,548	397,956	46,408
EXPENDITURES			
Accounting and audit	25,500	28,570	(3,070)
Election expense	2,000	14,618	(12,618)
Insurance	5,900	6,679	(779)
Landscape maintenance	31,600	33,459	(1,859)
Landscape repairs	15,000	7,653	7,347
Legal	55,000	135,669	(80,669)
Management fees	32,000	24,873	7,127
Miscellaneous expenses	2,000	2,161	(161)
Office supplies	1,000	-	1,000
Project management	5,000	1,161	3,839
Repairs and maintenance	-	38,127	(38,127)
Snow removal	3,000	1,510	1,490
Treasurer's fees	4,950	1,337	3,613
Utilities	10,000	10,102	(102)
Transfer to JCMD #2 General Fund	64,219	55,309	8,910
Transfer to Mt Shadows for O&M	11,057	10,853	204
Contingency	445,586	-	445,586
Emergency reserve	5,789	-	5,789
Total Expenditures	719,601	372,081	347,520
NET CHANGE IN FUND BALANCE	(368,053)	25,875	393,928
FUND BALANCE:			
BEGINNING OF YEAR	368,053	135,462	(232,591)
END OF YEAR	$ -	$ 161,337	$ 161,337

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

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Jefferson Center Metropolitan District No. 1, located in Jefferson County, Colorado, conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on October 25, 1989, as a quasi-municipal corporation established under the State of Colorado Special District Act. The District, along with Jefferson Center Metropolitan District No. 2, Vauxmont Metropolitan District, Cimarron Metropolitan District, Canyon Pines Metropolitan District, and Mountain Shadows Metropolitan District ("MSMD") (collectively, the "Districts"), each of which was organized in 2004, serve a service area which is located primarily in the City of Arvada, with some portions outside the City in unincorporated Jefferson County. The Districts were established to finance and construct water, sanitary and storm sewer, streets, limited fire protection services, park and recreation, safety protection, mosquito control, television relay and transmission, and transportation facilities and services. Jefferson Center Metropolitan District No. 2 (the "Service District") is responsible for managing the financing, construction, operation and maintenance of certain regional improvements to benefit the service area as well as providing certain administrative services for the Districts. The District, Vauxmont Metropolitan District, Cimarron Metropolitan District, Canyon Pines Metropolitan District, and MSMD (the "Financing Districts") are responsible for providing certain funding needed to support the Service District's provision of services. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB Pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

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

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

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 *availabl*e 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.
>
> 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.
>
> Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

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

<u>Assets, Liabilities and Net Position</u>
<u>Fair Value of Financial Instruments</u>
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.

<u>Deposits and Investments</u>
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. The District only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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.

Original Issue Discount
Original issue discount from the Series 2020A-2 Bonds and Series 2020B Bonds are being amortized over the respective terms of the bonds using the interest/straight-line method. Accumulated amortization of original issue discount amounted to $375,312 at December 31, 2023.

Capital Assets
Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure and buildings	20-50 years
Other capital assets	5-20 years

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.

Long-Term Obligations

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

Fund Balance

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 $9,913 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.

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 $7,639 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 $16,411,723 is restricted for the payment of the debt service costs associated with the Series 2020A-1 Loan, Series 2020A-2 Bonds and Series 2020B Bonds (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of $19,493,627 is restricted for the payment of the costs for capital improvements within the District.

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

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

The assigned fund balance in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2024.

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 reports three categories of net position, as follows:

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

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

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

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	$ 189,519
Cash and investments – Restricted	37,382,639
Total	$ 37,572,158

Cash and investments as of December 31, 2023, consist of the following:

Deposits with financial institutions	$ 3,249,483
Investments – COLOTRUST	34,322,675
	$ 37,572,158

Deposits

Custodial Credit Risk

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

The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

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

As of December 31, 2023, the District had the following investment:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint ventures established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing 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 $34,322,675 invested in COLOTRUST, of which $33,521,424 is held in trust accounts with UMB Bank.

Credit Risk

The District 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.

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

Governmental Type Activities:	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
Capital assets not being depreciated:				
Water rights	$ 2,464,664	$ -	$ -	$ 2,464,664
Construction in progress	35,083,585	22,095,158	-	57,178,743
Total capital assets not being depreciated	37,548,249	22,095,158	-	59,643,407
Capital assets being depreciated:				
Infrastructure and landscaping	295,471	-	-	295,471
Machinery and equipment	2,750	-	-	2,750
Total capital assets being depreciated	298,221	-	-	298,221
Accumulated Depreciation:				
Infrastructure and landscaping	(199,269)	(9,489)	-	(208,758)
Machinery and equipment	(2,750)	-	-	(2,750)
Total accumulated depreciation	(202,019)	(9,489)	-	(211,508)
Net capital assets being depreciated	96,202	(9,489)	-	86,713
Government type assets, net	$ 37,644,451	$ 22,085,669	$ -	$ 59,730,120

Note 4: Long Term Debt

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

Refunding Revenue Loan, Series 2020A-1
On June 3, 2020 the District issued a Taxable (Convertible to Tax-Exempt) Refunding Revenue Loan, Series 2020A-1 (the "Series 2020A-1 Loan") in the amount of $31,500,000 for the purpose of financing the acquisition of water rights, refunding the Series 2015 Bonds and Series 2017 Bonds and a portion of the 2010B Subordinate Note, funding the Reserve and Loan Payment Funds and paying the cost of issuing the Series 2020A-1 Loan, which matures on December 1, 2034. Prior to the Conversion Date (as defined in the Loan Agreement for the Series 2020A-1

Loan or the "Loan Agreement") the Series 2020A-1 Loan bears interest at the rate of 2.53% and after the Conversion Date at a rate of 2.00%, payable semiannually on each June 1 and December 1, commencing on December 1, 2020. The Conversion Date occurred on September 3, 2020. The Series 2020A-1 Loan is secured by Pledged Revenues including the Required Mill Levy Revenue (as defined in the Loan Agreement), the Pledged TIF Revenue (as defined in the Loan Agreement), the PILOT Revenue (as defined in the Loan Agreement), revenue generated from the imposition of the District's debt service mill levy in collection year 2020 and any other legally available moneys which the District determines, in its absolute discretion, to apply as Pledged Revenue. The Series 2020A-1 Loan is also secured by a Reserve Fund in the amount of $2,987,900. As of December 31, 2023, the District had $3,106,019 deposited in the Reserve Fund.

The Series 2020A-1 Loan is subject to principal payment, on December 1 of each year, commencing on December 1, 2020. Also, the Series 2020A-1 Loan is subject to the following optional prepayment rights:

(i) Prior to June 1, 2025, at a prepayment price equal to the sum of the principal so prepaid, accrued interest and unpaid interest thereon at the rate then borne by the Series 2020A-1 Loan to the date of such prepayment, the Yield Maintenance Fee (as defined in the Loan Agreement), if any, and a prepayment premium equal to a percentage of the principal so prepaid, as follows:

3% of the amount prepaid from June 1, 2020 through December 1, 2022
2% of the amount prepaid from June 1, 2023 through December 1, 2023
1% of the amount prepaid from June 1, 2024 through December 1, 2024

(ii) On or after June 1, 2025, at a prepayment price equal to the sum of the principal so repaid, accrued interest and unpaid interest thereon at the rate then borne by the Series 2020A-1 Loan to the date of such prepayment and the Yield Maintenance Fee (as defined in the Loan Agreement), if any; provided, however, the Yield Maintenance Fee shall not apply if the Series 2020A-1 Loan is being prepaid on or after June 1, 2027.

<u>Special Revenue Bonds, Series 2020A-2</u>

On August 5, 2020, the District issued $16,265,000 of Special Revenue Bonds Series 2020A-2 (the "Series 2020A-2 Bonds") for the purpose of financing or reimbursing public improvements related to the Development, paying capitalized interest on the Series 2020A-2 Bonds, funding the Reserve Fund for the Series 2020A-2 Bonds and paying the cost of issuing the Series 2020A-2 Bonds, which mature on December 1, 2047. The Series 2020A-2 Bonds bear interest between the rates of 4.125% to 4.375%, payable semiannually on each June 1 and December 1, commencing on December 1, 2020. The Series 2020A-2 Bonds are secured by Pledged Revenues including the District No. 1 Required Mill Levy Revenue (as defined in the Indenture of Trust for the Series

2020A-2 Bonds or the "Indenture"), the Pledged TIF Revenue (as defined in the Indenture), the PILOT Revenue (as defined in the Indenture), any profit from investments of money in funds holding Pledged Revenue held under the Indenture, and any other legally available amounts that the District may designate held under the Indenture. The Series 2020A-2 Bonds are also secured by a Reserve Fund in the amount of $1,457,546 and capitalized interest in the original amount of $2,090,756. As of December 31, 2023, the District had $1,461,551 deposited in the Reserve Fund and $11,881 in the capitalized interest fund.

The Series 2020A-2 Bonds are subject to a mandatory sinking fund redemption, on December 1 of each year, commencing on December 1, 2035. The Series 2020A-2 Bonds are subject to optional redemption prior to maturity, at the option of the District, on December 1, 2023, and on any date thereafter with a redemption premium as follows:

3% of the amount redeemed prior to December 1, 2024
2% of the amount redeemed prior to December 1, 2025
1% of the amount redeemed prior to December 1, 2026
Redemptions on and after December 1, 2026 are at par

Subordinate Special Revenue Bonds, Series 2020B
On August 5, 2020, the District issued $80,980,000 of Subordinate Special Revenue Bonds Series 2020B (the "Series 2020B Bonds") for the purpose of financing or reimbursing public improvements related to the Development, paying capitalized interest on the Series 2020B Bonds, funding the Reserve Fund for the Series 2020B Bonds, refunding a portion of the 2010B Subordinate Note (as defined below) and paying the cost of issuing the Series 2020B Bonds. The Series 2020B Bonds bear interest at the rate of 5.75% and mature on December 15, 2050. The Series 2020B Bonds are subordinate to the Series 2020A-1 Loan and the Series 2020A-2 Bonds with annual interest payments anticipated to be made on December 15, commencing December 15, 2020. The 2020B Bonds are secured by Subordinate Pledged Revenues including the District No. 1 Subordinate Required Mill Levy Revenue (as defined in the Indenture of Trust for the Series 2020B Bonds or the "Series 2020B Indenture"), the Pledged TIF Revenue (as defined in the Series 2020B Indenture), PILOT Revenue (as defined in the Series 2020B Indenture), any profit from investments of money in funds holding Subordinate Pledged Revenue held under the Series 2020B Indenture, and any other legally available amounts that the District may designate held under the Series 2020B Indenture. The Series 2020B Bonds are also secured by a Reserve Requirement in the amount of $7,207,822, capitalized interest in the original amount of $13,968,866 and a Surplus Fund Requirement of $3,578,798. As long as the amount on deposit in the Surplus Fund is less than the Surplus Fund Requirement, the Subordinate Required Mill levy shall equal to 50 mills, less the Senior Required Mill Levy (as defined in the Series 2020B Indenture), and in no event shall the Subordinate Required Mill Levy exceed 50 mills, less the Senior Required Mill Levy (as defined in the Series 2020B Indenture). As of December 31, 2023, the District had $7,227,628 deposited in the Reserve Fund, $0 deposited in the Subordinate Capitalized Interest Fund and $0 deposited in the Surplus Fund.

The Series 2020B Bonds are subject to a mandatory sinking fund redemption commencing on December 15, 2022. The Series 2020B Bonds are subject to optional redemption prior to maturity on December 1, 2023 and on any date thereafter with a redemption premium as follows:

3% of the amount redeemed prior to December 1, 2024
2% of the amount redeemed prior to December 1, 2025
1% of the amount redeemed prior to December 1, 2026
Redemptions on and after December 1, 2026 are at par

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2020A-1 Loan and the Series 2020A-2 and 2020B Bonds:

	Principal	Interest	Total
2024	$ 1,855,000	$ 5,819,482	$ 7,674,482
2025	1,890,000	5,782,382	7,672,382
2026	2,870,000	5,744,581	8,614,581
2027	4,380,000	5,652,868	10,032,868
2028	5,090,000	5,475,831	10,565,831
2029-2033	28,980,000	23,794,745	52,774,745
2034-2038	17,780,000	17,352,466	35,132,466
2039-2043	14,675,000	14,022,933	28,697,933
2044-2048	24,710,000	9,315,995	34,025,995
2049-2050	18,335,000	1,801,188	20,136,188
	$ 120,565,000	$ 94,762,471	$ 215,327,471

Subordinate Non-revolving Letter of Credit Note, Series 2010B

On November 1, 2010, the District authorized the issuance of its Subordinate Non-revolving Letter of Credit Note, Series 2010B, in an amount not to exceed $229,238,000 ("2010B Subordinate Note") to CCLLC to reimburse amounts advanced to the District under the Facilities Funding and Acquisition Agreement with CCLLC (see Note 5), amended and restated on July 23, 2013, (the "CCLLC Facilities Funding and Acquisition Agreement") (as the same was terminated concurrent with the transfer of the 2010B Subordinate Note, as discussed below) related to the funding of certain construction related expenses for public improvements to be located within and/or benefiting property within the boundaries of the District, as is more specifically described in the Certified Record of Proceedings relating to issuance of the 2010B Subordinate Note ("2010B Subordinate Resolution").

In November 2015, the District issued $128,807 of the 2010B Subordinate Note under the CCLLC Facilities Funding and Acquisition Agreement.

On April 6, 2017, the 2010B Subordinate Note was amended to lower the par amount to $226,986,000.

On February 27, 2018, the District amended the 2010B Subordinate Note to reflect the transfer of the 2010B Subordinate Note from CCLLC to Cimarron Development Company ("CDC") and to lower the par amount to $226,598,000.

On April 18, 2018, the District issued $5,500,000 of the 2010B Subordinate Note under the CDC FFAA.

During 2019, the District issued $8,294,894 of the 2010B Subordinate Note under the CDC FFAA.

During 2020, the District issued $2,270,633 of the 2010B Subordinate Note under the CDC FFAA.

On August 5, 2020, the 2010B Subordinate Note was amended to lower the par amount to $133,730,000.

During 2022, the District issued $2,470,976 of the 2010B Subordinate Note under the CDC FFAA.

During 2023, the District issued $11,798,323 of the 2010B Subordinate Note under the CDC FFAA.

As of December 31, 2023, the principal amount due under the 2010B Subordinate Note was $13,283,891 along with accrued interest in the amount of $752,949.

The principal amount of the 2010B Subordinate Note may be increased by Advances made under the CDC FFAA. The 2010B Subordinate Note will accrue interest at the rate of 8% per annum, payable annually on each December 15, commencing on December 15, 2011 and will mature on December 15, 2050. The 2010B Subordinate Note will be subject to mandatory redemption in part by lot on December 15 of each year to the extent of money on deposit, if any, in the Mandatory Redemptions Account, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date. The 2010B Subordinate Note will be subject to redemption prior to maturity, at the option of the District, as a whole or in part, on any date, upon payment of par and accrued interest, without redemption premium.

The 2010B Subordinate Note is a limited obligation of the District secured by a Required Mill Levy, as further described in the 2010B Subordinate Note Resolution, including the portion of the specific ownership tax that is collected as a result of the imposition of the Required Mill Levy, and any other legally available revenues which the District determines to credit to payment of the 2010B Subordinate Note. Amounts due and owing on the 2010B Subordinate Note shall be paid on a subordinate basis to any Senior Obligations, including the Series 2020A-1 Loan, the Series 2020A-2 Bonds and the Series 2020B Bonds.

Parkway Capital Pledge Agreement

On November 1, 2010, as amended on June 11, 2015, the District and the Service District entered into that certain Capital Pledge Agreement (JCMD No. 1/JCMD No. 2 – Jefferson Parkway) ("Parkway Pledge Agreement") whereby, in order to facilitate the acquisition of certain right-of-way for the provision of highway access for the benefit of the constituents of the Service District's service area, the Service District determined to pledge certain tax increment revenues it receives pursuant to the Amended Master Redevelopment Agreement ("Amended MRA") to the District. Pursuant to the Parkway Pledge Agreement, the District is obligated to finance and/or acquire the right-of-way property and, in exchange for the provision of such right-of-way property, the Service District agrees to reimburse the District for the cost of the right-of-way in an amount not to exceed $11,762,000, plus interest and bond costs. Interest will accrue on the balance owed under the Parkway Pledge Agreement at the rate of 8% per annum, computed on the basis of a 365-day year, actual days elapsed, and will be payable each December 1 and June 1.

As of December 31, 2023, no costs have been incurred under this agreement.

The reimbursement obligation of the Service District under the Parkway Pledge Agreement is a limited obligation of the Service District payable solely from and to the extent of the JCMD No. 1 Pledged Revenues (defined in the Parkway Pledge Agreement).

The amount of reimbursement obligation under the Parkway Pledge Agreement is required to be reduced by amounts collected by the District from a required mill levy. The Service District's reimbursement obligation to the District under the Parkway Pledge Agreement is further subject to other reimbursement priorities set forth therein. The Parkway Pledge Agreement terminates upon the earlier of: (a) the date on which reimbursement has been made in full thereunder; or (b) the date on which the Service District will receive no further revenues under the Amended MRA and has transferred all revenues available and required to be paid under the Parkway Pledge Agreement.

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

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023	Current Portion
General Obligation Bonds					
Special Revenue Bonds, Series 2020A-2	$ 16,265,000	$ -	$ -	$ 16,265,000	$ -
Subordinate Special Revenue Bonds, Series 2020B	80,975,000	-	-	80,975,000	-
Original issue discount - 2020A-2	(306,803)	-	15,300	(291,503)	15,300
Original issue discount - 2020B	(1,722,862)	-	96,536	(1,626,326)	96,536
Total	95,210,335	-	111,836	95,322,171	111,836
Direct Borrowings					
Series 2020A-1 Refunding Revenue Loan	25,465,000	-	(2,140,000)	23,325,000	1,855,000
Total	25,465,000	-	(2,140,000)	23,325,000	1,855,000
Other					
Subordinate Nonrevolving Line of Credit Note, Series 2010B	1,485,568	11,798,323	-	13,283,891	-
Series 2010B Line of Credit Note Interest 2010B	17,403	793,196	(57,650)	752,949	-
Total	1,502,971	12,591,519	(57,650)	14,036,840	-
	$ 122,178,306	$ 12,591,519	$ (2,085,814)	$ 132,684,011	$ 1,966,836

Note 5: Other Agreements

Parkway Acquisition Agreement

On November 1, 2010, the District, the Service District and CCLLC entered into that certain Acquisition Agreement (Jefferson Parkway Right of Way) ("Parkway Acquisition Agreement") whereby the parties set forth their understanding with respect to the obligations related to the conveyance of and reimbursement for conveyance of certain ROW property necessary for a beltway loop serving the Denver, Colorado metropolitan area, a highway commonly known as Jefferson Parkway. The Parkway Acquisition Agreement was amended on December 23, 2011 to grant TCC1, LLC the right to receive reimbursement for a portion of the Appraised Value of the ROW. The Districts have entered into the Parkway Pledge Agreement (defined above), whereby the Service District agrees to transfer certain tax increment revenues to the District in exchange for the promise of the District to finance the acquisition of the ROW and payment on the Promissory Note.

Facilities Funding and Acquisition Agreement – Cimarron Development Company

On February 27, 2018, the District entered into a Facilities Funding and Acquisition Agreement with Cimarron Development Company ("CDC") (the "CDC FFAA"), as amended June 15, 2021 and effective August 5, 2020, and as further amended July 27, 2022 and effective June 28, 2022. Per the CDC FFAA, CDC agrees to advance up to $133,730,000 to the District in fiscal years 2018 through 2048 in order that the District may construct certain public infrastructure, as more particularly described therein. The District agrees to make payment of advances under the CDC FFAA in accordance with the 2010B Subordinate Note. Interest will accrue under the CDC FFAA at the rate of 8% per annum, as is more particularly described therein.

Maintenance Agreement

On February 23, 2017, the District and Dillion Companies, Inc. ("Dillion") entered into a Maintenance Agreement (the "Maintenance Agreement") to assign maintenance obligations with respect to certain improvements to be constructed within property owned by Dillion. Dillion granted the District an easement for the purpose of performing its maintenance obligations set forth in the Agreement. The District and Dillion are each responsible for the costs and expenses associated with their respective maintenance obligations.

Public Improvements Agreement

On February 23, 2017, the District, Dillion and Cimarron Development Company ("CDC") entered into a Public Improvements Agreement (the "Public Improvements Agreement") whereby the District agreed to construct certain improvements necessary to develop property to be owned by Dillion and pay for the same with proceeds from the Series 2017 Bonds (which have since been refunded by the Series 2020A-1 Loan), subject to the satisfaction of certain conditions set forth in the Public Improvements Agreement.

Agreement Regarding Indiana Street Improvements and Interim Revenue Reconciliation

On March 2, 2017, the District, Jefferson Center Metropolitan District No. 2 ("JCMD No. 2") and MSMD entered into that certain Agreement Regarding Indiana Improvements and Interim Revenue Reconciliation (the "Reconciliation Agreement") whereby, JCMD No. 2 agreed to release certain pledged revenues, in the amount of $493,628.04, obligated to MSMD pursuant to the MSMD Pledge Agreement and MSMD agreed to pay JCMD No. 2 $85,207.00, as required under the FFCO (defined below). Pursuant to the Reconciliation Agreement, the District also agreed to pay MSMD the present value of the Mis-Pledged Revenues in an amount of $299,442.00, releasing the District from any further obligation thereof. Pursuant to the Reconciliation Agreement, the District agreed to construct the remaining Indiana Improvements (as defined in the agreement) and released JCMD No. 2 from such obligation.

Intergovernmental Agreement for Construction of Indiana Improvements

On March 10, 2017, the District and MSMD entered into an Intergovernmental Agreement for Construction of Indiana Improvements (the "Indiana IGA") whereby the District agreed to construct the Remaining Indiana Improvements (as defined in the Indiana IGA) in lieu of MSMD. In exchange, MSMD agreed to set aside the RII Proceeds (defined below) for the construction of the Remaining Indiana Improvements. The District and MSMD agreed to enter into the Escrow Agreement (discussed below) to govern the withdrawal of funds from the escrow to fund the District's construction of the Remaining Indiana Improvements.

Escrow Agreement

On March 10, 2017, the District, MSMD and UMB Bank, n.a. (the "Escrow Agent") entered into an Escrow Agreement ("Escrow Agreement") whereby MSMD agreed to deposit $1,000,000 (defined in the Escrow Agreement as the "RII Proceeds") with the Escrow Agent from which the District will use to finance the construction of the Remaining Indiana Improvements. The District will submit invoices for the actual construction costs of the Remaining Indiana Improvements in accordance with the Indiana IGA and the Escrow Agent will disburse funds for the same up to the maximum of the RII Proceeds. As of December 31, 2023, there are no funds remaining in the escrow account.

Operations Pledge Agreement Regarding Maintenance of Patio Homes

On March 10, 2017, the District and MSMD entered into an Operations Pledge Agreement Regarding Maintenance of Patio Homes whereby MSMD agreed to provide for the construction of improvements within certain residential property within the boundaries of the District. Upon completion of such improvements, MSMD agrees to operate and maintain the improvements. In exchange for such operation and maintenance services, the District agrees to pledge a portion of the total revenue generated by the District's imposition of its operations mill levy that is attributed to the residential property to MSMD.

Memorandum of Understanding for Stormwater Management Plan Responsibilities

On December 6, 2018, the District and Public Service Company of Colorado ("PSCo") entered into a Memorandum of Understanding for Stormwater Management Plan Responsibilities at Moon Gulch Substation and Candelas Point Retail Lots 2, 3 and 4 (the "MOU"). The MOU establishes that PSCo is responsible for the stormwater best practices ("BMPs") and stormwater compliance obligations in the utility work within the JCMD Property (as defined in the MOU). Further, the District is responsible for the revegetation and stabilization of the area specifically designated in the MOU.

Post-Closing Agreement and Escrow Instructions (Phase One Improvements)
On March 25, 2019, the District entered into a Post-Closing Agreement and Escrow Instructions for Phase One Improvements with CDC, Sisters of Charity of Leavenworth Health System, Inc. ("Beneficiary") and First American Title Insurance Company ("Agent") (the "Phase One Agreement") whereby the District agreed to construct Post-Closing Work, as defined in the Phase One Agreement. CDC, pursuant to the Phase One Agreement, deposited $2,419,288.81 into an escrow account, which amount includes a 10% contingency for hard construction costs and the Beneficiary, pursuant to the Phase One Agreement, deposited $153,471 for the portion of the Post-Closing Work defined therein as the SCL Development Work into an escrow account. The District shall complete the Post-Closing Work that remains incomplete as of the Effective Date (as defined in the Phase One Agreement) no later than 270 days after the Effective Date of the Phase One Agreement. Not more frequently than once per month, the District may request the disbursement of funds from the escrow account, which request shall include a written statement executed by Independent District Engineering Services, LLC certifying that the District is entitled to the disbursement of all or a portion of the Funds. If the Actual Costs (as defined in the Phase One Agreement) attributable to the detention pond and cross pans portions of the SCL Development Work are greater than the Bid Amount, the Beneficiary will promptly pay to the District its Pro Rata Share of the portion of the Actual Costs that exceeds such Bid Amounts. The Phase One Agreement will terminate when the funds have been fully disbursed in accordance with the terms thereof.

Post-Closing Agreement and Escrow Instructions (Phase Two Improvements)
On March 25, 2019, the District entered into a Post-Closing Agreement and Escrow Instructions for Phase Two Improvements with CDC, Sisters of Charity of Leavenworth Health System, Inc. ("Beneficiary") and First American Title Insurance Company ("Agent") (the "Phase Two Agreement") whereby the District agreed to construct the Post-Closing Work related to the Option One Land, as defined in the Phase Two Agreement. CDC, pursuant to the Phase Two Agreement, deposited $3,565,261 into an escrow account, which amount includes a 10% contingency for hard construction costs and the Beneficiary, pursuant to the Phase Two Agreement, deposited $156,874 for the portion of the Post-Closing Work defined therein as the SCL Development Work (excluding funding for the cross pans portion of the SCL Development Work, which funds will be deposited with the Agent by the Beneficiary upon the determination of the bid amount for the same) into an escrow account. The District and/or CDC shall complete that portion of the Post-Closing Work, specifically identified therein as the Phase 2A Post-Closing Work, no later than 270 days after the Effective Date of the Phase Two Agreement. The District and/or CDC shall commence construction of that portion of the Post-Closing Work, specifically identified in the Phase Two Agreement as the Phase 2B Post-Closing Work, within 120 days of receipt of written notice from the Beneficiary of the submittal of a formal preliminary development plan with the City of Arvada and shall complete construction within 270 days of receipt of said notice. Not more frequently than once per month, the District and/or CDC may request the disbursement of

funds from the escrow account, which request shall include a written statement certifying that the District and/or CDC is entitled to the disbursement of all or a portion of the Funds. The Beneficiary has the right to object to a disbursement request pursuant to the terms of the Phase Two Agreement. If the Actual Costs attributable to the pond and cross pans portions of the SCL Development Work are greater than the Bid Amount, the Beneficiary will promptly pay to the District its Pro Rata Share of the portion of the Actual Costs that exceeds such Bid Amounts. The Phase Two Agreement will terminate when the funds have been fully disbursed in accordance with the terms thereof.

Consent and Subordination Agreements

On June 3, 2020, the District, CDC, BBVA Mortgage Corporation, as the lender of the Series 2021A-1 Loan, and UMB Bank, n.a., entered into a Consent and Subordination Agreement whereby CDC consented to the District's issuance of the Series 2020A-1 Loan and agreed to the subordination of the 2010B Subordinate Note to the Series 2020A-1 Loan, including any refundings thereof, and any additional senior or subordinate obligations of the District issued in accordance with the terms thereof. Further, in accordance with the agreement, the District paid CDC certain proceeds from the Series 2020A-1 Loan to refund a portion of the amount outstanding under the 2010B Subordinate Note.

On June 3, 2020, the District, CDC, and UMB Bank, n.a., entered into a Consent and Subordination Agreement whereby CDC consented to the District's issuance of the Series 2020A-2 Bonds and Series 2020B Bonds and agreed to the subordination of the 2010B Subordinate Note to the Series 2020A-2 Bonds and Series 2020B Bonds, including any refundings thereof, and any additional obligations issued in accordance with the terms thereof. Further, in accordance with the agreement, the District paid CDC certain proceeds of the Series 2020B Bonds to refund the remaining amount outstanding under the 2010B Subordinate Note and reduced the par amount of the 2010B Subordinate Note to $133,730,000 (see discussion under Note 4).

Water Tank Purchase and Sale Agreements

On April 12, 2021, the District and CCLLC entered into a Purchase and Sale Agreement (Water Tank Site) whereby CCLLC agreed to sell to the District and the District agreed to purchase from CCLLC a Tank Site (as defined therein) for the purchase price of $875,000, subject to the terms therein. Concurrently, the District and the City of Arvada (the "City") entered into a Purchase and Sale Agreement (Water Tank Site) (the "City Water Tank PSA") whereby the District agreed to sell to the City and the City agreed to purchase from the District the Tank Site, subject to the terms therein. The City required the Tank Site to construct a water storage tank thereon. The City further agreed to allocate 500,000 gallons of water storage capacity in the water storage tank constructed on the Tank Site to the District in consideration of the District's conveyance of the Tank Site. On June 17, 2021, CCLLC conveyed the Tank Site to the District and the District conveyed the Tank Site to the City.

Settlement and Release Agreement
Effective December 1, 2022, the District and SEMA Construction, Inc. ("SEMA") entered into a Settlement and Release Agreement (the "Settlement Agreement"). Pursuant to the Settlement Agreement, the District and SEMA are parties to a construction contract whereby SEMA agreed to perform certain earthwork, utility work, and concrete/paving work at Indiana Street and West 91st Place. The City of Arvada (the "City") identified certain deficiencies at or near locations where SEMA performed its work as well as deficiencies at locations unrelated to SEMA's work, which required correction for the City to take final acceptance of the work. The parties dispute whether certain portions of the deficiencies are within SEMA's scope of work or work performed by others, and in order to remove such dispute the parties agreed that SEMA would correct such deficiencies in exchange for the District paying SEMA $78,235.80. Further, the parties agree that the Settlement Agreement is not an admission of liability, and all such liability is expressly denied.

Post-Closing Escrow Agreement (P6 Off-Site Improvements)
On October 30, 2023, the District, Cimarron Commercial, LLC ("CCLLC"), and Fidelity National Title Insurance Company ("Fidelity") entered into the Post-Closing Escrow Agreement (P6 Off-Site Improvements) whereby CCLLC agreed to escrow funds to secure the completion of certain Off-Site Improvements (as defined therein) to be constructed by the District, with such funds to be released to CCLLC in accordance with the agreement. The District may request disbursements of the escrowed funds to CCLLC in accordance with the agreement. The agreement will terminate upon the earlier to occur of the disbursement of all the escrowed funds or on December 1, 2024.

Railroad Crossing Operation and Maintenance Agreement
On February 24, 2024, the District and Arcosa LWB, LLC ("Arcosa") entered into a Railroad Crossing Operation and Maintenance Agreement ("Railroad O/M Agreement") whereby Arcosa agreed to grant the District the legal right to install, construct, and/or replace certain road improvements across the railroad track and property owned by Arcosa, as identified in the Railroad O/M Agreement, in return for the District replacing the railroad track at such locations and operating and maintaining the same on behalf of Arcosa. The Railroad O/M Agreement is subject to annual appropriations and is not a multi-fiscal year obligation of the District.

Note 6: Intergovernmental Agreements

City of Westminster
During 1994, the District entered into an agreement with the City of Westminster ("Westminster") for the joint construction of parallel water lines within easements to be utilized as roadways within the District. The cost of construction of the District's line was paid by the District ($163,500) and Jefferson Center Associates ($469,578). Operations and maintenance expenses will be determined by Westminster for each line separately. The District may exercise rights to use the Westminster pipeline and pay prorated costs.

Facilities, Funding, Construction and Operations Agreement

The Districts entered into a Facilities Funding, Construction and Operations Agreement ("FFCO") on July 26, 2005, as amended on November 28, 2006, December 15, 2009, November 1, 2010 and June 11, 2015, to coordinate the financing, construction, operation and maintenance of the public improvements within the service area of the Districts and to establish the relationship between and respective responsibilities of the Service District and the Financing Districts. The FFCO provides a framework for the equitable allocation over time among the Districts of the costs of administration of the Districts and the costs of financing, constructing, operating and maintaining the public improvements contemplated therein. The Service District is generally responsible for providing the financing, construction, operations and maintenance of certain primary public infrastructure to serve the entire service area. To the extent none of the Financing Districts have elected otherwise, the Service District is also responsible for providing administrative services for the Financing Districts based upon each Financing District's agreement to pay its proportionate share of costs thereof. The Financing Districts are each generally responsible for financing, constructing, operating and maintaining the public improvements necessary to serve development within their respective boundaries. The FFCO provides a limitation on the issuance of indebtedness by the Districts in the amount of $450,000,000 of total aggregate debt by all of the Districts. The FFCO is intended to constitute a multiple fiscal year financial obligation of the Districts, and as such, it was submitted to and approved by the electorates of each of the Districts prior to being executed.

On March 24, 2009, Jefferson Center Metropolitan District No. 1 and No. 2, Vauxmont Metropolitan District, Cimarron Metropolitan District, Canyon Pines Metropolitan District and Mountain Shadows Metropolitan District entered into an amendment to the FFCO whereby it elected to perform its own administrative services, effective January 1, 2008.

Amended and Restated Capital Pledge Agreement and Assignment Agreement

On June 11, 2015, the District entered into an Amended and Restated Capital Pledge Agreement and Assignment Agreement with JCMD No. 2, Vauxmont Metropolitan District ("Vauxmont"), and U.S. Bank National Association in its capacity as trustee for the Bonds, as amended by the First Amendment to the Amended and Restated Capital Pledge Agreement and Assignment Agreement dated December 19, 2019 ("Pledge and Assignment Agreement"). The Pledge and Assignment Agreement replaced and superseded the Capital Pledge Agreement dated July 1, 2007 between the District and JCMD No. 2. Pursuant to the Pledge and Assignment Agreement, the parties recognize Vauxmont's issuance of the Bonds and agree to pledge certain revenues to support the repayment thereof.

Specifically, pursuant to the Pledge and Assignment Agreement, JCMD No. 2 pledges the "Vauxmont Revenue" to the repayment of the Series 2015A Bonds, the Series 2015C Bonds, the Series 2015D Bonds and the Series 2015E Note, or any debt issued to refund the same. The Vauxmont Revenue is defined in the Pledge and Assignment Agreement as the sum of the certain incremental property tax revenues received by District No. 2 from AURA pursuant to the Amended MRA.

Also, in accordance with the Pledge and Assignment Agreement, JCMD No. 2 separately pledges the "Series 2015B TIF Revenues" to the repayment of the Series 2015B Bonds, or any debt issued to refund the same. The Series 2015B TIF Revenues are defined as certain incremental property tax revenues derived in accordance with the Amended MRA from properties within both the District and the Northwest Arvada Urban Renewal Area less certain administrative fees and annual stormwater costs, as described in the agreement.

Finally, pursuant to the Pledge and Assignment Agreement, JCMD No. 2 pledges certain Impact Fees received by District No. 2 pursuant to a Resolution of JCMD No. 2 adopted on December 20, 2005 to the repayment of the Series 2015A Bonds.

Intergovernmental Restructuring Agreement

On June 11, 2015, the District, JCMD No. 2, Vauxmont, and Cimarron Metropolitan District ("Cimarron") entered into that certain Intergovernmental Restructuring Agreement ("Restructure IGA") to acknowledge the issuance of the Restructured Debt (as defined in the Restructure IGA) by Vauxmont and to make certain clarifications relative to the future financing, construction and provision of service and improvements within the service area of the Jefferson Center Districts ("Service Area"). The Restructure IGA acknowledges Vauxmont issued the Restructured Debt in part to refinance and restructure certain outstanding debts of the District, JCMD No. 2, Vauxmont, and Cimarron, as is more particularly described in the Restructure IGA, in order to secure certain economic efficiencies and cost savings relative to past, present and future financing and construction of public improvements to benefit the constituents of the Service Area. The Restructure IGA recognizes the allocation of revenue, cash and certain expenses as to the parties to the Restructure IGA.

The Restructure IGA also addresses certain capital and operational matters and provides that each district that is a party to the Restructure IGA will be obligated to manage and cause the financing, construction, operation and maintenance of any public infrastructure necessary for the development of property within their respective boundaries, with certain specific exceptions listed therein. The Restructure IGA addresses the disposition of certain water rights, water options, water fees and water related agreements as between the parties.

Amended and Restated Intergovernmental Agreement for the Jefferson Parkway

On July 23, 2015, the District, the City of Arvada (the "City"), JCMD No. 2, CCLLC and the Jefferson Parkway Public Highway Authority (the "Authority") entered into that certain Amended and Restated Intergovernmental Agreement for the Jefferson Parkway (the "Amended Parkway IGA"). The Amended Parkway IGA amends and restates entirely that certain Intergovernmental Agreement dated April 7, 2008 between JCMD No. 2 and the City and adds the District, CCLLC and the Authority as parties. The Amended Parkway IGA sets forth the terms and conditions of the design of the Jefferson Parkway as the same is located within the boundaries of the District and JCMD No. 2, including, but not limited to, alignment and elevation, use of the property prior to construction of the Jefferson Parkway and utility crossings. It also sets forth the terms upon which certain land and easements will be transferred from CCLLC to the City to accommodate the Jefferson Parkway.

On June 15, 2020, the District, the City, JCMD No. 2, the Authority, CCLLC and Cimarron Development Company ("CDC") entered into the Second Amended and Restated Intergovernmental Agreement for the Jefferson Parkway (the "Second Amended Parkway IGA"). The Second Amended Parkway IGA amends and restates entirely the Amended Parkway IGA to account for updated design plans for the Jefferson Parkway, to modify and/or amend the previously transferred land and easements as necessary to accommodate the updated design plans, to update the review process of development applications for property near the planned Jefferson Parkway, and to add CDC as a party. The Second Amended Parkway IGA further sets forth the terms and conditions of the design of the Jefferson Parkway, as the same is located within the boundaries and/or service area of the District and JCMD No. 2, including, but not limited to, alignment and elevation, use of the property prior to construction of the Jefferson Parkway, and utility crossings. It also sets forth the terms on which certain previously transferred land and easements are to be modified and amended and the terms by which certain additional land and easements are to be transferred to the Authority to accommodate the updated design plans for the Jefferson Parkway.

Intergovernmental Agreements for Public Improvements for the Candelas Commercial Filing Nos. 1-3

On October 15, 2018, the District and the City of Arvada (the "City") entered into the Intergovernmental Agreement for Public Improvements for the Candelas Commercial Filing No. 1, the Intergovernmental Agreement for Public Improvements for the Candelas Commercial Filing No. 2 and the Intergovernmental Agreement for Public Improvements for the Candelas Commercial Filing No. 3 (collectively, the "Candelas Commercial IGAs"). The Candelas Commercial IGAs establish the District's obligations and responsibilities relative to the construction and installation of the public improvements specific to each filing. The District's obligations under the Candelas Commercial IGAs are subject to annual appropriations and do not constitute a multi-fiscal year debt or obligation.

Intergovernmental Agreement for Public Improvements for the Candelas Medical Filing No. 1
On March 18, 2019, the District and the City entered into the Intergovernmental Agreement for Public Improvements for the Candelas Medical Filing No. 1 which establishes the District's obligations and responsibilities relative to the construction and installation of public improvements located in Candelas Medical Filing No. 1 and the dedication of certain right-of-way to the City. The District's obligations under the agreement are subject to annual appropriations and do not constitute a multi-fiscal year debt or obligation.

Public Improvements Agreement (Kinnear Ditch Replacement Pipeline Project)
On February 26, 2019, the District and the City of Westminster entered into the Public Improvements Agreement (Kinnear Ditch Replacement Pipeline Project) whereby the District agrees to construct and install, at its own expense, an underground pipeline known as the Kinnear Ditch Replacement Pipeline and convey the same to the City of Westminster for ownership, operation and maintenance. The agreement establishes the District's obligations relative to the construction and conveyance of the Kinnear Ditch Replacement Pipeline.

Intergovernmental Agreement with City and County of Denver
On September 22, 2021, the District and the City and County of Denver, acting by and through its Board of Water Commissioners (the "Water Board"), entered into an Intergovernmental Agreement whereby the parties agreed that the District will construct and install a concrete box culvert as part of the State Highway 93 and State Highway 72 widening project, including that portion of the work which is the responsibility of the Water Board (the "Water Board Work"). In exchange, the Water Board agreed to reimburse the District in the amount of $232,744.77 for the costs associated with the Water Board Work.

Cost Contribution Agreement
On December 6, 2021, the District and the City entered into the Cost Contribution Agreement whereby the District agreed to contribute $3,800,000 to the City to finance the costs associated with the construction and completion of the Coal Creek Water Tank, which the District is entitled to 500,000 gallons of water storage capacity therein pursuant to the City Water Tank PSA (discussed under Note 5). In exchange, the City will reallocate $3,800,000 that was previously budgeted to fund the Coal Creek Tank to a different future project or projects that will specifically address infrastructure capacity issues within the City's existing jurisdiction and authority, which support one or more public improvements that benefit the District.

<u>Intergovernmental Agreement for Financing of the Design and Bid Phase Engineering Services for Improvements to the Alkire Lift Station</u>

On February 9, 2022, the District and the City of Arvada (the "City") entered into the Intergovernmental Agreement for Financing of the Design and Bid Phase Engineering Services for Improvements to the Alkire Lift Station (the "Design and Bid Phase IGA"), whereby the District agreed to contribute funds to the City to finance the design and bid phase engineering services related to certain upgrades and expansions to the Alkire Lift Station. The contribution was estimated to be $89,790, and in the event final, actual costs for such services exceed that amount, the District agreed to pay the City the additional amount of actual costs in excess of $89,790 in accordance with the Design Bid Phase IGA.

<u>Intergovernmental Agreement for Financing of the Design, Preconstruction Services, and Construction of the Upgrades and Improvements to the Alkire Lift Station</u>

On August 16, 2022, the District and the City of Arvada (the "City") entered into the Intergovernmental Agreement for Financing of the Design, Preconstruction Services, and Construction of the Upgrades and Improvements to the Alkire Lift Station (the "Construction IGA"), whereby the District agreed to contribute funds to the City to finance the design, preconstruction services, and construction of certain upgrades and improvements to the Alkire Lift Station. Specifically, the parties agreed that the District would fund 95% and the City would fund the remaining 5% of the design, preconstruction services, and construction, which were estimated to be $2,425,076.00. Pursuant to the Construction IGA, the parties acknowledged that the District previously paid the City $89,790 pursuant to the Design and Bid Phase IGA, as discussed above, which the City agreed to credit against the District's obligation under the Construction IGA. As such, the District agreed to make an initial payment of $1,110,210 (which included the credit of the $89,790 discussed above) to the City and agreed to provide additional financing for its portion of the design, preconstruction services, and construction of the upgrades and improvements to the Alkire Lift Station in accordance with the Construction IGA. The City further agreed to impose an impact fee on development located within the Alkire Lift station service area that is not paying taxes to the District and agreed to remit said impact fee to the District, with such obligation terminating 20 years after the date of the Construction IGA.

<u>Intergovernmental Agreement for Off-Site Public Improvements for the Trailstone Development</u>

On July 13, 2022, the District and the City of Arvada (the "City") entered into the Intergovernmental Agreement for Off-Site Public Improvements for the Trailstone Development (the "Trailstone IGA"). The Trailstone IGA establishes the Districts obligation to finance, design, furnish, construct, and install certain off-site public improvements necessary to develop certain property owned and to be developed by Taylor Morrison of Colorado, Inc., as such off-site public improvements are identified in the Trailstone IGA. The District's obligations under the Trailstone IGA are subject to annual appropriations and do not constitute a multi-fiscal year debt or obligation.

Intergovernmental Agreement for Financing of the Design, Preconstruction Services, Construction Administration, and Construction of the Purple Line

On February 15, 2024, the District and the City of Arvada (the "City") entered into the Intergovernmental Agreement for Financing of the Design, Preconstruction Services, Construction Administration, and Construction of the Purple Line (the "Purple Line IGA"), whereby the District agreed to contribute funds to the City to finance the design services, preconstruction services, construction administration, and construction of the Purple Line (as defined in the Purple Line IGA). Specifically, the parties agreed the District would fund 65% and the City would fund the remaining 35% of the design services, preconstruction services, construction administration, and construction of the Purple Line, which were estimated to be $3,100,000. Notwithstanding, the District's contribution is limited to $2,015,000, with the City agreeing to finance any excess amount. In acknowledgement of the District's financial contribution, the City agreed to impose an impact fee on any development that connects to the Purple Line, as identified in the Purple Line IGA, and remit the fees to the District, with such obligation terminating 20 years after the date of the Purple Line IGA.

Note 7: Related Party

All of the Board of Directors are employees, owners or are otherwise associated with the developers of the property within the District's service area and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed by the Board.

Note 8: Tax, Spending and Debt Limitations

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

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

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

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

On May 7, 1996, the District's electors authorized the District to retain up to $200,000 of revenue collected in the years 1993 through 1995 and $500,000 in 1996 and thereafter, plus any additional amounts collected as revenue, loans and advances from District property owners and other private parties and other revenue derived from any District facilities or properties without any limitations under TABOR. In addition, the District was authorized to increase property taxes by $500,000 annually, without any limitation on rate, for the purpose of paying District operations maintenance, capital and other lawful expenses and to collect and retain the tax proceeds and investment income earned thereon without any limitations under TABOR or Section 29-1-301, C.R.S.

On May 4, 2004, the District's electors authorized the District to increase taxes $100,000 annually or such lesser amount as necessary, without limitation as to rate and thereafter for as long as the District continued in existence, to pay the District's administration, operations, maintenance, landscape maintenance, and other expenses, without regard to any spending, revenue raising, or other limitation contained within Article X, Section 20 of the Constitution or Section 29-1-301, C.R.S. or any other law which purports to limit the District's revenues or expenditures, and without limiting in any year the amount of other revenues that may be collected and spent by the District.

Note 9: Risk Management

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

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

Note 10: Debt Authorization

After elections held in 2004, the District had voted debt authorization of $4,500,000,000. However all of the Districts (as defined in Note 1 above) are limited by their respective Service Plans and by the FFCO to issuing $450,000,000 of total aggregate debt. Also, pursuant to the FFCO, the District is limited to issuing $262,475,000 of debt. As of December 31, 2023, the District had remaining authorization of $133,760,000. If debt is issued to the maximum amounts permitted under the various District agreements and the 2010B Subordinate Note, the District will have utilized all of its voted debt authorization. On March 18, 2024, the District amended its 2024 Capital Projects Fund Budget to reflect the issuance of new debt in the estimated amount of $15,000,000.

Note 11: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

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

1) Capital assets and water rights used in government activities are not financial resources and, therefore are not reported in the funds; and

2) long-term liabilities such as notes/bonds payable, are not due and payable in the current period and, therefore, are not in the funds.

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

1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;

2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;

3) governmental funds report developer advances and/or bond/loan proceeds as revenue; and,

4) 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.

Note 12: Subsequent Events

On April 17, 2024, the District issued its Second Subordinate Special Revenue Bonds, Series 2024C ("Series 202C4 Bonds") in the principal amount of $13,695,000 made pursuant to the terms of an Indenture of Trust dated April 17, 2024. The proceeds from the Series 2024C Bonds will be used for the purposes of funding and reimbursing a portion of the costs or acquiring, constructing and installing certain public improvements and paying the costs of issuing the Series 2024C Bonds.

SUPPLEMENTAL INFORMATION

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

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

For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 3,300,368	$ 3,014,418	$ (285,950)
Less AURA portion of District taxes	(2,324,354)	(2,124,058)	200,296
Specific ownership taxes	198,022	235,645	37,623
AURA tax increment	2,324,354	2,124,058	(200,296)
AURA increment - other governments	1,781,536	1,428,896	(352,640)
Interest income	-	900,075	900,075
Transfer from JCMD#2	1,830,074	1,685,626	(144,448)
Total Revenues	7,110,000	7,264,660	154,660
EXPENDITURES			
Series 2020 A-1 principal	2,140,000	2,140,000	-
Series 2020 A-1 Interest	509,300	509,300	-
Series 2020 A-2 Interest	696,919	696,919	-
Series 2020 B principal	-	-	-
Series 2020 B Interest	4,656,063	4,656,063	-
Transfer to JCMD #2 Debt Service	1,781,536	1,428,896	352,640
Paying agent fee	7,000	8,300	(1,300)
Treasurer's fees	49,506	13,375	36,131
Total Expenditures	9,840,324	9,452,853	387,471
NET CHANGE IN FUND BALANCE	(2,730,324)	(2,188,193)	542,131
FUND BALANCE:			
BEGINNING OF YEAR	18,329,913	18,599,916	270,003
END OF YEAR	$ 15,599,589	$ 16,411,723	$ 812,134

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

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest income	$ 50,000	$ 1,244,470	$ 1,194,470
Other reimbursements	-	63,663	63,663
Total Revenues	50,000	1,308,133	1,258,133
EXPENDITURES			
Capital improvements	30,217,156	20,040,309	10,176,847
Engineering	900,000	1,088,686	(188,686)
Legal	40,000	212,730	(172,730)
Project management	500,000	966,163	(466,163)
Developer reimbursement		881,894	(881,894)
Series 2010B interest expense	-	57,650	(57,650)
Bond issuance costs	-	70,000	(70,000)
Total Expenditures	31,657,156	23,317,432	8,339,724
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(31,607,156)	(22,009,299)	9,597,857
OTHER FINANCING SOURCES (USES)			
Developer advances	-	11,798,323	11,798,323
Total Other Financing Sources (Uses)	-	11,798,323	11,798,323
NET CHANGE IN FUND BALANCE	(31,607,156)	(10,210,976)	21,396,180
FUND BALANCE:			
BEGINNING OF YEAR	31,607,156	29,704,603	(1,902,553)
END OF YEAR	$ -	$ 19,493,627	$ 19,493,627

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

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

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

Year Ended December 31,	Prior Year Total Assessed Valuation for Current Year Property Tax Levy	Prior Year Increment Assessed Valuation (2)	Mills Levied: General Fund	Mills Levied: Debt Service	Total Property Tax: Levied	Total Property Tax: Collected (1,3)	Percent Collected to Levied
1998	$ 250,750		10.000	0.000	$ 2,508	$ 2,699	107.62%
1999	$ 571,100		10.000	0.000	$ 5,711	$ 5,716	100.09%
2000	$ 945,150		25.000	0.000	$ 23,629	$ 16,847	71.30%
2001	$ 879,860		25.000	0.000	$ 21,997	$ 21,756	98.90%
2002	$ 1,135,780		25.000	0.000	$ 28,395	$ 28,125	99.05%
2003	$ 1,987,100		25.000	0.000	$ 49,678	$ 49,550	99.74%
2004	$ 22,273,390		25.000	0.000	$ 556,835	$ 554,550	99.59%
2005	$ 22,268,130		25.000	0.000	$ 556,703	$ 555,504	99.78%
2006	$ 22,115,560		25.000	0.000	$ 552,889	$ 191,183	34.58%
2007	$ 21,224,080		5.000	37.000	$ 891,411	$ 885,337	99.32%
2008	$ 24,501,390	$ 12,088,290	5.000	37.000	$ 521,350	$ 521,350	100.00%
2009	$ 26,714,800	$ 12,782,890	5.000	50.000	$ 766,255	$ 778,721	101.63%
2010	$ 50,106,950	$ 34,229,920	5.000	50.000	$ 873,237	$ 857,359	98.18%
2011	$ 43,335,470	$ 27,523,590	5.000	50.000	$ 869,653	$ 791,733	91.04%
2012	$ 32,263,153	$ 19,393,154	5.000	50.000	$ 707,850	$ 632,514	89.36%
2013	$ 31,094,623	$ 18,089,901	5.000	50.000	$ 715,260	$ 716,129	100.12%
2014	$ 31,389,107	$ 18,637,234	5.000	50.000	$ 701,353	$ 683,982	97.52%
2015	$ 32,711,837	$ 20,405,447	5.000	50.000	$ 676,851	$ 673,114	99.45%
2016	$ 35,666,495	$ 22,701,687	5.000	50.000	$ 713,064	$ 655,237	91.89%
2017	$ 33,702,060	$ 20,739,556	5.000	50.000	$ 712,938	$ 730,037	102.40%
2018	$ 41,981,225	$ 26,011,083	5.001	50.015	$ 878,613	$ 851,563	96.92%
2019	$ 36,158,611	$ 21,229,612	5.005	50.059	$ 822,050	$ 927,412	112.82%
2020	$ 46,907,249	$ 32,348,262	5.019	50.194	$ 803,845	$ 665,515	82.79%
2021	$ 49,825,314	$ 35,275,518	5.025	50.250	$ 804,240	$ 756,397	94.05%
2022	$ 51,247,483	$ 35,326,332	5.026	50.267	$ 880,328	$ 929,997	105.64%
2023	$ 65,664,581	$ 46,949,928	5.026	50.261	$ 1,034,677	$ 979,394	94.66%
Estimated for year ending December 31, 2024	$ 79,624,299	$ 36,322,398	5.250	52.543	$ 2,502,547		

NOTE

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

(2) The District receives tax revenues from the total assessed valuation less the assessed valuation on the increment. The taxes from the increment are available from the intergovernmental agreement with the Arvada Urban Renewal Authority.

(3) Total Property Tax collected is shown here net of the amount paid to Arvada Urban Renewal Authority.

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION – UNAUDITED

History of Assessed Valuations and Mill Levies for the District

Levy/ Collection Year	Gross Assessed Valuation	Percent Change	Assessed Value Attributable to Urban Renewal Areas: Jefferson Center URA Tax Increment (1)	Northwest Arvada URA Tax Increment (2)	Net Assessed Valuation	Percent Change
2012/2013	$ 31,094,623	0.0%	$ 16,582,622	$ 1,507,279	$ 13,004,722	0.0%
2013/2014	$ 31,389,107	0.9%	$ 17,099,852	$ 1,537,382	$ 12,751,873	-1.9%
2014/2015	$ 32,711,837	4.2%	$ 18,866,630	$ 1,538,817	$ 12,306,390	-3.5%
2015/2016	$ 35,666,495	9.0%	$ 21,046,659	$ 1,655,028	$ 12,964,808	5.4%
2016/2017	$ 33,702,060	-5.5%	$ 19,077,959	$ 1,661,597	$ 12,962,504	0.0%
2017/2018	$ 41,981,225	24.6%	$ 19,825,293	$ 6,185,790	$ 15,970,142	23.2%
2018/2019	$ 36,158,611	-13.9%	$ 17,077,988	$ 4,151,624	$ 14,928,999	-6.5%
2019/2020	$ 46,907,249	29.7%	$ 18,491,972	$ 13,856,290	$ 14,558,987	-2.5%
2020/2021	$ 49,825,314	6.2%	$ 17,734,508	$ 17,541,010	$ 14,549,796	-0.1%
2021/2022	$ 51,247,483	2.9%	$ 16,428,997	$ 18,897,335	$ 15,921,151	9.4%
2022/2023	$ 65,664,581	28.1%	$ 23,304,844	$ 23,645,084	$ 18,714,653	17.5%
2023/2024	$ 79,624,299	21.3%	$ 23,199,908	$ 36,322,398	$ 20,101,993	7.4%

(1) Represents the assessed valuation attributable to the Jefferson Center URA. The Jefferson Center URA is a separate urban renewal area which overlaps the portion of the District which contains the Power Plant. Property tax increment revenue from the Jefferson Center URA is *not* pledged to the Series 2020 A-1 Loan, Series 2020 A-2 Bonds and Series 2020B Bonds, other than increment revenue produced by the District's own mill levy.

(2) Represents the assessed valuation for property located in the District attributable to the Northwest URA. Incremental property tax revenue from this property comprises Pledged TIF Revenue (the portion derived from overlapping tax entities) and the District No. 1 Senior Required Mill Levy Revenue (the portion derived from the District's Senior Required Mill Levy).

History of Northwest URA Property Tax Increment

Levy/ Collection Year	Total Assessed Valuation	Property Tax Base	District Increment (1)	Mountain Shadows Increment	Vauxmont Increment	Other (2)	Total Increment
2012/2013	$ 7,035,032	$ 1,822,593	$ 1,507,279	$ 1,451,215	$ 2,070,306	$ 183,639	$ 5,212,439
2013/2014	$ 11,886,855	$ 2,410,989	$ 1,537,382	$ 3,277,333	$ 4,610,205	$ 50,946	$ 9,475,866
2014/2015	$ 19,170,921	$ 2,410,989	$ 1,538,817	$ 4,091,969	$ 11,084,181	$ 44,965	$ 16,759,932
2015/2016	$ 32,912,555	$ 3,562,559	$ 1,655,028	$ 4,898,712	$ 22,703,564	$ 92,692	$ 29,349,996
2016/2017	$ 36,088,929	$ 3,562,559	$ 1,661,597	$ 4,955,268	$ 25,815,705	$ 93,800	$ 32,526,370
2017/2018	$ 59,024,413	$ 5,198,207	$ 6,185,790	$ 5,092,573	$ 42,457,604	$ 90,283	$ 53,826,250
2018/2019	$ 60,137,822	$ 4,727,217	$ 4,151,624	$ 5,142,760	$ 45,008,701	$ 1,107,520	$ 55,410,605
2019/2020	$ 84,154,508	$ 5,626,466	$ 13,856,290	$ 5,656,879	$ 57,452,734	$ 1,562,139	$ 78,528,042
2020/2021	$ 92,053,102	$ 5,443,311	$ 17,541,010	$ 5,699,590	$ 61,533,716	$ 1,835,475	$ 86,609,791
2021/2022	$ 101,123,709	$ 5,413,469	$ 18,897,335	$ 6,210,353	$ 67,693,463	$ 2,909,089	$ 95,710,240
2022/2023	$ 108,730,844	$ 5,454,941	$ 23,645,084	$ 6,561,517	$ 67,836,407	$ 5,232,895	$ 103,275,903
2023/2024	$ 151,102,199	$ 7,435,429	$ 36,322,398	$ 7,831,366	$ 94,113,258	$ 5,399,748	$ 143,666,770

(1) Represents the assessed valuation for property located in the District attributable to the Northwest URA. Incremental property tax revenue from this property comprises the Pledged TIF Revenue (the portion derived from overlapping tax entities) and the District No. 1 Senior Required Mill Levy Revenue and District No. 1 Subordinate Required Mill Levy Revenue (the portions derived from the District's Senior Required Mill Levy and Subordinate Required Mill Levy).

(2) Represents the assessed valuation for property located in the Northwest URA but outside of the District, Mountain Shadows and Vauxmont.

History of Assessed Valuation for Jefferson Center URA

Levy/ Collection Year	Total Assessed Valuation in Tax Increment Area	Percent Change	Valuation Allocable to Base	Valuation Allocable to Increment (1)
2012/2013	$ 17,273,096	0.0%	$ 690,475	$ 16,582,621
2013/2014	$ 17,811,863	3.1%	$ 712,011	$ 17,099,852
2014/2015	$ 19,578,641	9.9%	$ 712,011	$ 18,866,630
2015/2016	$ 21,840,943	11.6%	$ 794,284	$ 21,046,659
2016/2017	$ 19,871,943	-9.0%	$ 794,284	$ 19,077,659
2017/2018	$ 20,650,704	3.9%	$ 825,411	$ 19,825,293
2018/2019	$ 17,789,017	-13.9%	$ 711,029	$ 17,077,988
2019/2020	$ 19,261,871	8.3%	$ 769,899	$ 18,491,972
2020/2021	$ 18,472,871	-4.1%	$ 738,363	$ 17,734,508
2021/2022	$ 17,113,006	-7.4%	$ 684,009	$ 16,428,997
2022/2023	$ 24,275,124	41.9%	$ 970,280	$ 23,304,844
2023/2024	$ 24,165,819	-0.5%	$ 965,911	$ 23,199,908

(1) Only the portion of tax revenue attributable to the incremental assessed value which is derived from the Senior Required Mill Levy and the Subordinate Required Mill Levy constitutes revenues pledged towards the Series 2020A-1 Loan, Series 2020A-2 Bonds and Series 2020B Bonds. Tax revenue attributable to the incremental assessed value which is derived from other overlapping taxing entities such as the School District is *not Senior* Pledged Revenue or Subordinate Pledged Revenue.

History of Mill Levies for the District

Levy/ Collection Year	General Fund Mill Levy	Debt Service Mill Levy	Total Mill Levy
2015/2016	5.000	50.000	55.000
2016/2017	5.000	50.000	55.000
2017/2018	5.001	50.015	55.016
2018/2019	5.005	50.059	55.064
2019/2020	5.019	50.194	55.213
2020/2021	5.025	50.250	55.275
2021/2022	5.026	50.267	55.293
2022/2023	5.026	50.261	55.287
2023/2024	5.250	52.543	57.793

Property Tax Collections in the District

Levy/ Collection Year	Taxes Levied (1)	Current Tax Collection	Collection Rate
2014/2015	$ 676,851	$ 673,114	99.45%
2015/2016	713,064	655,237	91.89%
2016/2017	712,938	730,037	102.40%
2017/2018	878,613	851,563	96.92%
2018/2019	822,050	927,412	112.82%
2019/2020	803,845	665,515	82.79%
2020/2021	804,240	756,397	94.05%
2021/2022	880,328	929,997	105.64%
2022/2023	1,034,677	979,394	94.66%

(1) Levied amounts do not reflect abatements or other adjustments and are net of all revenue attributable to the Northwest URA and the Jefferson Center URA in the following amounts for the respective levy years: $1,122,300 for 2014; $1,248,593 for 2015; $1,140,676 for 2016; $1,431,025 for 2017; $1,168,987 for 2018; $1,786,045 for 2019; 1,739,834 for 2020; $1,919,147 for 2021. $1,939,043 for 2022 and $2,336,460 for 2023. Such revenue, however, is payable by the Authority to District No. 2 pursuant to the Master Redevelopment Agreement, and is then payable to the District pursuant to the Pledge Agreement or the Master IGA, as applicable.

Assessed Valuation of Classes of Property in the District

Property Class	2023 Total Assessed Valuation (1)	Percentage of Total Assessed Valuation
State Assessed	$ 27,441,539	34.46%
Commercial	29,359,863	36.87%
Vacant	15,159,022	19.04%
Personal Property	4,787,732	6.01%
Residential	2,861,621	3.59%
Agricultural	14,514	0.02%
Natural Resources	8	0.00%
	$ 79,624,299	100.00%

(1) Includes $59,522,306 of assessed valuation attributable to the Northwest URA and the Jefferson Center URA.

Assessed Valuation of Classes of Property in District No. 2

Property Class	2023 Total Assessed Valuation	Percentage of Total Assessed Valuation
State Assessed	$ 8,993	28.58%
Vacant	$ 22,461	71.39%
Agricultural	10	0.03%
	$ 31,464	100.00%

Ten Largest Owners of Taxable Property within the District

Taxpayer Name	2023 Assessed Valuation	Percentage of Total Assessed Valuation (1)
Plains End II, LLC	$ 9,867,853	12.39%
Plains End, LLC	9,771,117	12.27%
Public Service of Colorado	4,418,369	5.55%
GKT Westwoods II LLC	3,632,190	4.56%
Dillon Companies LLC	2,636,327	3.31%
Sisters of Charity of Leavenworth Health System Inc.	2,544,475	3.20%
Kohls Department Stores, Inc.	2,060,303	2.59%
Westwoods Station, LLC	1,570,519	1.97%
Discover Goodwill of Southern & Western Colorado	1,411,600	1.77%
Plains End, LLC	1,268,976	1.59%
Total	$ 39,181,729	49.21%

(1) Based on a 2023 certified assessed valuation of $79,624,299.

SAMPLE MILL LEVIES AFFECTING PROPERTY OWNERS WITHIN THE DISTRICT - 2023

Taxing Entity [1]	Mill Levy Sample [2]
Jefferson County School District No. R-1 [3]	44.526
Jefferson County [3]	26.978
Arvada Fire Protection District	15.728
Apex Park & Recreation District [3]	4.454
City of Arvada	4.310
Urban Drainage & Flood Control District [3]	0.900
Urban Drainage & Flood Control District - S. Platte [3]	0.100
Total Overlapping Sample Mill Levy	96.996
The District	57.793
Total Sample Mill Levy	154.789

(1) Regional Transportation District also overlaps the District, but does not assess a mill levy.
(2) One mill equals 1/10 of one percent. Mill levies certified in 2023 result in the collection of property taxes in 2024.
(3) The incremental property taxes generated by these overlapping entities' mill levies are included within Pledged TIF Revenue.

10 Year History of Overlapping Mill Levies for the District and Northwest URA

Taxing Entity [1]	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jefferson County School District No. R-1	50.165	47.487	45.941	42.878	49.416	47.075	47.038	45.808	46.133	44.526
Jefferson County	25.846	24.212	24.709	22.420	23.739	23.332	24.578	26.241	26.978	26.978
Arvada Fire Protection District	14.848	14.776	14.747	14.723	14.821	14.925	14.947	14.849	14.893	15.728
Apex Park & Recreation District	5.378	4.881	4.827	4.745	4.809	4.559	4.626	4.560	4.618	4.454
City of Arvada	4.310	4.310	4.310	4.310	4.310	4.310	4.310	4.310	4.310	4.310
Urban Drainage & Flood Control District	0.632	0.553	0.559	0.500	0.726	0.900	0.900	0.900	0.900	0.900
Urban Drainage & Flood Control District - S. Platte	0.068	0.058	0.061	0.057	0.094	0.097	0.100	0.100	0.100	0.100
Total Overlapping Mill Levy	101.247	96.277	95.154	89.633	97.915	95.198	96.499	96.768	97.932	96.996
District No. 1	55.000	55.000	55.000	55.016	55.064	55.213	55.275	55.293	55.287	57.793
Total Mill Levy	156.247	151.277	150.154	144.649	152.979	150.411	151.774	152.061	153.219	154.789
Less Excluded:										
Arvada Fire Protection District	(14.848)	(14.776)	(14.747)	(14.723)	(14.821)	(14.925)	(14.947)	(14.849)	(14.893)	(15.728)
City of Arvada	(4.310)	(4.310)	(4.310)	(4.310)	(4.310)	(4.310)	(4.310)	(4.310)	(4.310)	(4.310)
Net Overlapping Mill Levy	82.089	77.191	76.097	70.600	78.784	75.963	77.242	77.609	78.729	76.958

(1) Regional Transportation District and Moffat Tunnel Improvement District also overlap the District, but do not assess a mill levy.

ESTIMATED OVERLAPPING GENERAL OBLIGATION INDEBTNESS

Entity [1]	2022 Gross Assessed Valuation [2]	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District Percent [3]	Amount
Apex Park & Recreation District	2,901,760,360	19,095,000	1.58%	$ 301,701
Jefferson County School District No. R-1	14,134,691,021	710,280,000	0.56%	3,977,568
				4,279,269

(1) The following entities also overlap with the District but have no reported general obligation debt outstanding: City of Arvada, Arvada Fire Protection District, Blue Mountain Water District, Coal Creek Canyon Fire Protection District, Jefferson County, Jefferson County Law Enforcement Authority, Moffat Tunnel Improvement District, North Table Mountain Water & Sanitation District, Ralston Valley Water & Sanitation District, Regional Transportation District, Urban Drainage and Flood Control District and Urban Drainage and Flood Control District - South Platte.
(2) The 2023 assessed valuation figure is certified by the County Assessor for collection of ad valorem property taxes in 2024.
(3) The percentage of each entity's outstanding debt chargeable to District property owners is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of the overlapping entities, the percentage of debt for which District property owners are responsible will also change.

SELECTED DEBT RATIOS OF THE DISTRICT

	Senior and Subordinate Debt [1], [2]	Senior Debt [3]
Amount of Debt	120,565,000	39,590,000
Overlapping Debt [4]	4,279,269	4,279,269
Total Direct Debt and Overlapping Debt	124,844,269	43,869,269
2023 Assessed Valuation [5]	79,624,299	79,624,299
Ratio of Direct Debt to 2023 District Assess Valuation	151.4%	49.7%
Ratio of Direct Debt Plus Overlapping Debt to 2023 District Assess Valuation	156.8%	55.1%
2023 District Statutory "Actual" Value [5],[6]	318,276,056	318,276,056
Ratio of Direct Debt to 2023 District Statutory "Actual" Value	37.9%	12.4%
Ratio of Direct Debt Plus Overlapping Debt to 2023 District Statutory "Actual" Value	39.2%	13.8%

(1) The ratios in this column pertaining to the District's debt are based upon the total outstanding amount of District limited tax general obligation debt after the issuance of the Bonds. The figure is based upon the outstanding principal amounts of (a) the 2020A-1 Senior Loan and the 2020A-2 Senior Bonds, and (b) the 2020B Subordinate Bonds.
(2) The figure is based upon the outstanding principal amounts of (a) the 2020 A-1 Senior Loan and the 2020 A-2 Senior Bonds, and (b) the 2020B Subordinate Bonds
(3) The figure consists of the outstanding principal amounts of the 2020A-1 Senior Loan and the 2020A-2 Senior Bonds.
(4) Figure is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt.
(5) Includes tax increment amounts payable to the Authority in the Northwest URA and Jefferson Center URA and reimbursed to the District pursuant to the Master Redevelopment Agreement.
(6) This figure has been calculated using a statutory formula under which assessed valuation is calculated at 6.70% of the statutory "actual" value of residential property in the District, 26.4% of the statutory "actual" value of agricultural property in the District and 27.9% of the statutory "actual" value of other property within the District (with certain exceptions, including the oil and gas production within the District). Statutory "actual" value is not intended to represent market value.

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND

	Years Ended December 31,				
	2019	2020	2021	2022	2023
REVENUES					
Property taxes	$ 184,388	$ 219,300	$ 243,231	$ 269,754	$ 301,436
Less AURA portion of District taxes (1)	(100,092)	(158,802)	(174,468)	(176,254)	(212,402)
Specific ownership taxes	11,398	21,619	19,155	17,523	23,564
AURA tax increment (1)	100,092	158,802	174,468	176,254	212,402
Interest income	23,601	2,278	188	19,057	72,956
Total	219,387	243,197	262,574	306,334	397,956
EXPENDITURES					
Accounting and audit	5,100	5,350	13,575	31,264	28,570
Election expense	28	81	875	631	14,618
Insurance	5,474	5,350	6,028	5,644	6,679
Landscape maintenance	26,670	52,599	68,009	31,070	33,459
Landscape repairs	-	-	-	10,423	7,653
Legal	54,790	66,000	53,094	194,565	135,669
Management fees	22,116	15,005	17,137	20,234	24,873
Miscellaneous expenses	1,576	291	203	426	2,161
Office supplies	2,371	-	-	-	-
Project management	-	638	4,025	5,444	1,161
Repairs and maintenance	-	-	-	108,833	38,127
Snow removal	4,869	2,245	1,412	2,858	1,510
Treasurer's fees	1,480	692	1,029	1,247	1,337
Utilities	5,391	8,520	11,591	9,578	10,102
Transfer to JCMD #2 General Fund	48,304	54,588	43,653	55,743	55,309
Transfer to Mt Shadows for O&M	2,910	8,257	10,313	11,365	10,853
Total	181,079	219,616	230,944	489,325	372,081
NET CHANGES IN FUND BALANCES	38,308	23,581	31,630	(182,991)	25,875
FUND BALANCE - BEGINNING OF YEAR	224,934	263,242	286,823	318,453	135,462
FUND BALANCE - END OF YEAR	$ 263,242	$ 286,823	$ 318,453	$ 135,462	$ 161,337

(1) Consists of tax increment amounts attributable to the District's mill levy which are first paid to the Authority and then are reimbursed to the District pursuant to the Master Redevelopment Agreement and the Master IGA.

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND

	Years Ended December 31,				
	2019	2020	2021	2022	2023
REVENUES					
Property taxes	$1,844,166	$ 2,186,049	$ 2,432,313	$ 2,599,286	$ 3,014,418
Less AURA portion of District taxes (1)	(1,001,050)	(1,581,032)	(1,744,679)	(1,762,789)	(2,124,058)
Specific ownership taxes	114,003	216,210	191,547	176,997	235,645
AURA tax increment (1)	1,001,050	1,581,032	1,744,679	1,762,789	2,124,058
AURA increment - other governments (2)	1,253,174	1,369,392	1,271,577	1,303,395	1,428,896
Interest income	82,005	41,943	7,879	346,497	900,075
Transfer from JCMD#2	231,501	953,505	1,280,290	1,391,246	1,685,626
Total	3,524,849	4,767,099	5,183,606	5,817,421	7,264,660
EXPENDITURES					
Series 2015 Bond principal	585,000	-	-	-	-
Series 2015 Bond interest expense	964,450	468,331	-	-	0
Series 2017 Bond interest expense	590,756	295,378	-	-	0
Series 2020 A-1 principal	-	1,505,000	2,100,000	2,430,000	2,140,000
Series 2020 A-1 Interest	-	353,238	599,900	557,900	509,300
Series 2020 A-2 Interest	-	224,563	696,919	696,919	696,919
Series 2020 B Principal	-	-	-	5,000	0
Series 2020 B Interest	-	1,681,460	4,656,350	4,656,350	4,656,063
Transfer to JCMD #2 Debt Service	1,253,174	1,369,392	1,271,577	1,303,395	1,428,896
Paying agent fee	3,875	7,375	8,300	8,300	8,300
Treasurer's fee	14,800	6,923	10,290	12,464	13,375
Total	3,412,055	5,911,660	9,343,336	9,670,328	9,452,853
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	112,794	(1,144,561)	(4,159,730)	(3,852,907)	(2,188,193)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	-	53,682,552	-		-
Payment to refunding agent	-	(29,699,285)	-		-
Total Other Financing Sources (Uses)	-	23,983,267	-	-	-
NET CHANGES IN FUND BALANCES	112,794	22,838,706	(4,159,730)	(3,852,907)	(2,188,193)
FUND BALANCE - BEGINNING OF YEAR	3,661,053	3,773,847	26,612,553	22,452,823	18,599,916
FUND BALANCE - END OF YEAR	$3,773,847	$26,612,553	$22,452,823	$18,599,916	$16,411,723

(1) Consists of tax increment amounts attributable to the District's mill levy which are first paid to the Authority and then are reimbursed to the District pursuant to the Master Redevelopment Agreement and the Master IGA.

(2) Consists of tax increment amounts attributable to the overlapping taxing enitities' mill levies which are first paid to the Authority and then are transferred to the District pursuant to the Master Redevelopment Agreement and the Pledge Agreement. Includes tax increment revenue from both the Northwest URA and the Jefferson Center URA. Only the tax increment revenues from the Northwest URA, however, is pledged to the Series 2020A-1 Loan and the Series 2020A-2 and 2020B Bonds.

JEFFERSON CENTER METROPOLITAN DISTRICT NO. 1

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUND

	Years Ended December 31,				
	2019	2020	2021	2022	2023
REVENUES					
Interest income	$ 11,562	$ 44,220	$ 18,372	$ 551,980	$ 1,244,470
Other income	55,198	289,895	-	331,854	63,663
Facility fees	102,053	43,475	37,110	18,555	-
Total	168,813	377,590	55,482	902,389	1,308,133
EXPENDITURES					
Capital improvements	5,147,334	7,954,820	6,709,211	11,685,199	20,040,309
Engineering	427,125	613,591	1,177,125	790,252	1,088,686
Legal	59,607	27,814	63,217	105,048	212,730
Miscellaneous expenses	-	698	10	-	-
Project Management	477,904	577,873	557,473	1,000,043	966,163
Bond issuance costs	-	3,580,010	413	-	70,000
Developer reimbursement					881,894
Series 2010B principal	4,451	15,727,206	-	985,408	-
Series 2010B interest expense	426,010	1,127,668	-	41,262	57,650
Mt Shadows reimbursement	-	-	-	3,222	-
Total	6,542,431	29,609,680	8,507,449	14,610,434	23,317,432
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,373,618)	(29,232,090)	(8,451,967)	(13,708,045)	(22,009,299)
OTHER FINANCING SOURCES (USES)					
Loan/Bond proceeds	-	128,745,000	-	-	-
Developer advances	8,294,894	2,270,633	-	2,470,976	11,798,323
Developer contributions	-	89,284	-	-	-
Original issue discount	-	(2,293,141)	-	-	-
Transfers in (out)	-	(53,682,552)	-	-	-
Total Other Financing Sources (Uses)	8,294,894	75,129,224	-	2,470,976	11,798,323
NET CHANGES IN FUND BALANCES	1,921,276	45,897,134	(8,451,967)	(11,237,069)	(10,210,976)
FUND BALANCE - BEGINNING OF YEAR	1,575,229	3,496,505	49,393,639	40,941,672	29,704,603
FUND BALANCE - END OF YEAR	$3,496,505	$ 49,393,639	$ 40,941,672	$ 29,704,603	$ 19,493,627

Budget Summary and Comparison - General Fund

	2023			2024		
	Budget	Audited Actual	Variance	Budget	Unaudited Year-to-Date Actual (1)	Variance
REVENUES						
Property taxes	$ 330,030	$ 301,436	$ (28,594)	$ 418,028	$ 151,288	$ (266,740)
Less AURA portion of District taxes	(232,431)	(212,402)	20,029	(187,832)	(117,070)	70,762
Specific ownership taxes	19,802	23,564	3,762	25,082	6,609	(18,473)
AURA tax increment	232,431	212,402	(20,029)	187,832	117,070	(70,762)
Interest income	1,716	72,956	71,240	50,000	9,462	(40,538)
Total Revenues	351,548	397,956	46,408	493,110	167,359	(325,751)
EXPENDITURES						
Accounting and audit	25,500	28,570	(3,070)	25,500	6,547	18,953
Election expense	2,000	14,618	(12,618)	2,000	73	1,927
Insurance	5,900	6,679	(779)	6,250	5,917	333
Landscape maintenance	31,600	33,459	(1,859)	31,600	8,601	22,999
Landscape repairs	15,000	7,653	7,347	15,000	4,111	10,889
Legal	55,000	135,669	(80,669)	55,000	26,655	28,345
Management fees	32,000	24,873	7,127	32,000	10,423	21,577
Miscellaneous expenses	2,000	2,161	(161)	2,000	50	1,950
Office supplies	1,000	-	1,000	1,000	-	1,000
Project management	5,000	1,161	3,839	5,000	-	5,000
Repairs and maintenance	-	38,127	(38,127)	60,000	8,802	51,198
Snow removal	3,000	1,510	1,490	3,000	3,770	(770)
Treasurer's fees	4,950	1,337	3,613	6,270	513	5,757
Utilities	10,000	10,102	(102)	10,000	1,669	8,331
Transfer to JCMD #2 General Fund	64,219	55,309	8,910	57,515	13,138	44,377
Transfer to Mt Shadows for O&M	11,057	10,853	204	15,103	-	15,103
Contingency	445,586	-	445,586	333,651	-	333,651
Emergency reserve	5,789	-	5,789	7,639	-	7,639
Total Expenditures	719,601	372,081	347,520	668,528	90,269	578,259
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(368,053)	25,875	393,928	(175,418)	77,090	252,508
FUND BALANCE:						
BEGINNING OF YEAR	368,053	135,462	(232,591)	175,418	161,337	(14,081)
END OF YEAR	$ -	$ 161,337	$ 161,337	$ -	$238,427	$ 238,427

(1) For the three months ended March 31, 2024

Budget Summary and Comparison - Debt Service Fund

	2023			2024		
	Budget	Audited Actual	Variance	Budget	Unaudited Year-to-Date Actual (1)	Variance
REVENUES						
Property taxes	$ 3,300,368	$ 3,014,418	$ (285,950)	$ 4,183,700	$ 1,514,121	$ (2,669,579)
Less AURA portion of District taxes	(2,324,354)	(2,124,058)	200,296	(1,879,860)	(1,171,660)	708,200
Specific ownership taxes	198,022	235,645	37,623	251,022	66,138	(184,884)
AURA tax increment	2,324,354	2,124,058	(200,296)	1,879,860	1,171,660	(708,200)
AURA increment - other governments	1,781,536	1,428,896	(352,640)	1,799,108	834,737	(964,371)
Interest income	-	900,075	900,075	800,000	195,763	(604,237)
Transfer from JCMD#2	1,830,074	1,685,626	(144,448)	2,697,471	1,158,593	(1,538,878)
Total Revenues	7,110,000	7,264,660	154,660	9,731,301	3,769,352	(5,961,949)
EXPENDITURES						
Series 2020 A-1 principal	2,140,000	2,140,000	-	1,855,000	-	1,855,000
Series 2020A-1 Interest	509,300	509,300	-	466,500	-	466,500
Series 2020A-2 Interest	696,919	696,919	-	696,919	-	696,919
Series 2020B Principal	-	-	-	-	-	-
Series 2020B Interest	4,656,063	4,656,063	-	4,656,063	-	4,656,063
Transfer to JCMD #2 Debt Service	1,781,536	1,428,896	352,640	1,799,108	834,737	964,371
Paying agent fee	7,000	8,300	(1,300)	7,000	-	7,000
Treasurer's fees	49,506	13,375	36,131	62,756	5,137	57,619
Total Expenditures	9,840,324	9,452,853	387,471	9,543,346	839,874	8,703,472
NET CHANGE IN FUND BALANCE	(2,730,324)	(2,188,193)	542,131	187,955	2,929,478	2,741,523
FUND BALANCE:						
BEGINNING OF YEAR	18,329,913	18,599,916	270,003	16,696,670	16,411,723	(284,947)
END OF YEAR	$ 15,599,589	$16,411,723	$ 812,134	$ 16,884,625	$ 19,341,201	$ 2,456,576

(1) For the three months ended March 31, 2024

Budget Summary and Comparison - Capital Projects Fund

	2023			2024		
	Budget	Audited Actual	Variance	Budget	Unaudited Year-to-Date Actual (1)	Variance
REVENUES						
Interest income	$ 50,000	$ 1,244,470	$ 1,194,470	$ 1,000,000	$ 254,445	$ (745,555)
Other reimbursements	-	63,663	63,663	-	15,000	15,000
Total Revenues	50,000	1,308,133	1,258,133	1,000,000	269,445	(730,555)
EXPENDITURES						
Capital improvements	30,217,156	20,040,309	10,176,847	33,892,155	13,100,812	20,791,343
Engineering	900,000	1,088,686	(188,686)	900,000	140,289	759,711
Legal	40,000	212,730	(172,730)	40,000	17,516	22,484
Miscellaneous	-	-	-	-	4,565	(4,565)
Project management	500,000	966,163	(466,163)	500,000	197,347	302,653
Developer reimbursement	-	881,894	(881,894)			
Series 2010B interest expense	-	57,650	(57,650)	-	-	-
Bond issuance costs	-	70,000	(70,000)	-	-	-
Total Expenditures	31,657,156	23,317,432	8,339,724	35,332,155	13,460,529	21,871,626
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(31,607,156)	(22,009,299)	9,597,857	(34,332,155)	(13,191,084)	21,141,071
OTHER FINANCING SOURCES (USES)						
Developer advances	-	11,798,323	11,798,323	15,000,000	11,592,612	(3,407,388)
Total Other Financing Sources (Uses)	-	11,798,323	11,798,323	15,000,000	11,592,612	(3,407,388)
NET CHANGE IN FUND BALANCE	(31,607,156)	(10,210,976)	21,396,180	(19,332,155)	(1,598,472)	17,733,683
FUND BALANCE:						
BEGINNING OF YEAR	31,607,156	29,704,603	(1,902,553)	19,332,155	19,493,627	161,472
END OF YEAR	$ -	$ 19,493,627	$ 19,493,627	$ -	$ 17,895,155	$ 17,895,155

(1) For the three months ended March 31, 2024