

**AGENDA
 COMBINED REGULAR MEETING
 OF THE BOARDS OF DIRECTORS OF
 FITZSIMONS VILLAGE METROPOLITAN DISTRICT NOS. 1-3**

DATE: Wednesday, September 13, 2023
TIME: 1:30 p.m.
LOCATION: Microsoft Teams Video Teleconference

You can attend the meeting in any of the following ways:

- ACCESS:**
1. https://teams.microsoft.com/l/meetup-join/19%3ameeting_YjgzNTg2YTYtMjM1Yi00MzMyLTk3NjAtMGExMGZINjQ0MTU1%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%225b9f6fa2-e9dd-42cc-bfd8-f7dd2ed196a6%22%7d
 2. To attend via telephone, dial 720- 547-5281 and enter the following additional information: Passcode: 163 697 036#

Fitzsimons Village Metropolitan District Nos. 1 and 2

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Suzanne Schlicht	President	May, 2025
Bob Dapper	Secretary	May, 2027
Brittany Havard	Treasurer	May, 2027
VACANT	Assistant Secretary	May, 2025
VACANT	Assistant Secretary	May, 2027

Fitzsimons Village Metropolitan District No. 3

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Suzanne Schlicht	President	May, 2025
Brian Ratner	Secretary	May, 2027
Brittany Havard	Treasurer	May, 2027
VACANT	Assistant Secretary	May, 2025
VACANT	Assistant Secretary	May, 2027

I. ADMINISTRATIVE MATTERS

- A. Call to order and approval of agenda. (District Nos. 1-3)

- B. Present disclosures of potential conflicts of interest. (District Nos. 1-3)
- C. Confirm quorums, location of meeting and posting of meeting notices. (District Nos. 1-3)
- D. Public Comment.
Members of the public may express their views to the Board on matters that affect the Districts that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person. (District Nos. 1-3)
- E. Review and consider approval of minutes from the August 24, 2023 special board meeting (enclosure). (District Nos. 1-3)

II. MANAGER MATTERS

- A. Bridge Update. (District Nos. 1-3)
- B. Update on Promenade Work. (District Nos. 1-3)

III. FINANCIAL MATTERS

- A. Approve and/or ratify approval of payment of claims in the amount of \$21,815.84 (enclosure). (District No. 1)
- B. Approve and/or ratify approval of payment of claims in the amount of \$10,486.03 (enclosure). (District No. 3)
- C. Consider approval of Corporex Development and Construction Management, LLC (“CDCM”) Pay Apps for garage construction and other Pay Apps (to be distributed). (District No. 1)
- D. Consider approval of Draw Request No. 14, Requisition No. 17 and Requisition No. 18 for Pay Apps and other expenses (to be distributed). (District No. 3)
- E. Consider approval of draft 2022 Audits (enclosure). (District Nos. 1 & 3)

IV. LEGAL MATTERS

V. DIRECTOR MATTERS

VI. OTHER BUSINESS

VII. ADJOURNMENT

The next regular meeting is scheduled for October 11, 2023 at 1:30 p.m. via Microsoft Teams.

**MINUTES OF A COMBINED REGULAR MEETING OF
THE BOARDS OF DIRECTORS OF THE
FITZSIMONS VILLAGE METROPOLITAN DISTRICTS NOS. 1-3
HELD
JULY 12, 2023**

A regular meeting of the Boards of Directors of the Fitzsimons Village Metropolitan Districts Nos. 1-3, County of Arapahoe (referred to hereafter as the “Board”) was convened on Wednesday, July 12, 2023 at 1:30 p.m. The Districts’ Board meeting was held and properly noticed to be held via video enabled web conference. The meeting was open to the public via telephone and videoconference.

Directors In Attendance Were:

Suzanne Schlicht, President
Brittanny Havard, Treasurer
Bob Dapper, Assistant Secretary (MD No.1 and 2)
Brian Ratner, Secretary (MD No. 3)

There are two vacancies on each of the Boards.

Also In Attendance Were:

Tom George; Spencer Fane LLP
Nicholas Carlson, Ashley Heidt, and Carrie Beacom; CliftonLarsonAllen LLP (“CLA”)
Keely Matson: Michael Baker International
Doug Swain and Stephen Sapp; Corporex

**ADMINISTRATIVE
MATTERS**

Call to Order/Disclosure of Potential Conflicts of Interest: Director Schlicht called the meeting to order at 1:33 p.m.

Attorney George discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Boards were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Boards’ members prior to this meeting in accordance with statute. It was noted that the disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors as required by statute. No new conflicts were disclosed.

Quorum/Meeting Location/Approve Agenda: A quorum was confirmed. It was noted that notice providing the time, date and video link information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed by any interested person were received.

Following review and discussion, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards approved the combined agenda, as amended to remove Manager Matters item 2B.

Minutes of the June 14, 2023 Combined Regular Meeting: Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards approved the June 14, 2023 Combined Regular Meeting Minutes, as presented.

Public Comment: None.

MANAGEMENT MATTERS

Bridge Update: Ms. Matson provided an update to the Board and indicated the proposal would be ready for review by August.

JE Dunn Proposal for Water Quality Work in the Amount of \$548,322.00: Mr. Sapp reviewed the proposal as well as a proposal from Turner for Water Quality Work. He noted the Turner proposal came in higher than the JE Dunn proposal. He suggested moving forward with JE Dunn on a time and material contract with a not to exceed \$548,322.00. Following discussion, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards approved the JE Dunn proposal for water quality work in the amount not to exceed \$548,322.00.

Curb and Gutter and Parking Spaces Proposal in the Amount of \$148,003: Mr. Sapp reviewed the proposal as well as a proposal from Turner for Curb and Gutter and Parking spaces and noted that the Turner proposal came in higher than the JE Dunn Proposal. He suggested moving forward with JE Dunn on a time and material contract with a not to exceed \$148,003.00. Following discussion, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards approved the JE Dunn proposal for curb and gutter and parking spaces in the amount not to exceed \$148,003.00.

FINANCIAL MATTERS

Claims MD1: Ms. Beacom reviewed the claims with the Board. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the District 1 Board approved the claims in the amount of \$60,885.90.

Claims MD3: Ms. Beacom reviewed the claims with the Board. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the District 3 Board approved the claims in the amount of \$12,823.72.

Budget to Actual Variance Report Through May 31, 2023: Ms. Beacom reviewed the variance report with the Boards. Director Ratner asked if there were any areas of concern. Ms. Beacom noted that the snow removal cost is high and that the elevator maintenance is almost at the estimated budgeted amount. Mr. Carlson noted that the elevators are aging and they are a highly vandalized area.

District No. 1 Corporex Development and Construction Management LLC Pay Apps for Garage Construction: Ms. Beacom reviewed Corporex Development and Construction Management LLC (“CDCM”) Pay App No. 13 with the Boards. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the District No. 1 Board approved the CDCM Pay App No. 13 for Garage Construction, in the amount of \$974,964.21.

District No. 3 Requisition No. 15 and Draw Request No. 12: Ms. Beacom reviewed the Draw Request No. 12 with the Board. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Board approved the Draw Request No. 11 in the amount of \$974,964.21.

Ms. Beacom reviewed the Requisition No. 15 with the Board. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Board approved the Requisition No. 15 in the amount of \$974,964.21.

LEGAL MATTERS **Other:** None.

DIRECTOR MATTERS **Other:** None.

OTHER BUSINESS **Other:** Mr. Sapp provided an update on the promenade project. The Board determined to hold a special meeting on July 21st to discuss further.

ADJOURNMENT There being no further business to come before the Board at this time, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards adjourned the meeting at 1:53 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting MD 1-2

By _____
Secretary for the Meeting MD 3

**MINUTES OF A COMBINED SPECIAL MEETING OF
THE BOARDS OF DIRECTORS OF THE
FITZSIMONS VILLAGE METROPOLITAN DISTRICTS NOS. 1-3
HELD
AUGUST 24, 2023**

A special meeting of the Boards of Directors of the Fitzsimons Village Metropolitan Districts Nos. 1-3, County of Arapahoe (referred to hereafter as the “Board”) was convened on Thursday, August 24, 2023 at 8:00 a.m. The Districts’ Board meeting was held and properly noticed to be held via video enabled web conference. The meeting was open to the public via telephone and videoconference.

Directors In Attendance Were:

Suzanne Schlicht, President
Brittanny Havard, Treasurer
Bob Dapper, Assistant Secretary (MD No.1 and 2)
Brian Ratner, Secretary (MD No. 3)

There are two vacancies on each of the Boards.

Also In Attendance Were:

Brenden Desmond; Spencer Fane LLP
Nicholas Carlson, Anna Jones, and Carrie Beacom; CliftonLarsonAllen LLP (“CLA”)
Thomas Ritz: Michael Baker International
Doug Swain and Stephen Sapp; Corporex Companies
Jason Carr; S.A. Miro, Inc.

**ADMINISTRATIVE
MATTERS**

Call to Order and Agenda: Director Schlicht called the meeting to order at 8:04 p.m. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard upon vote, unanimously carried, the Boards approved the combined agenda as presented.

Disclosure of Potential Conflicts of Interest: Attorney Desmond discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Boards were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Boards’ members prior to this meeting in accordance with statute. It was noted that the disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors as required by statute. No new conflicts were disclosed.

Quorums, Location of Meeting, Posting of Meeting Notices, Designate 24-Hour Posting Location: Quorums were confirmed. It was noted that notice providing the time, date and video link information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed by any interested person were received.

Minutes of the July 21, 2023 Regular Board Meeting: Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards approved the July 21, 2023 Combined Regular Meeting Minutes, as presented.

Public Comment: None.

MANAGEMENT MATTERS

Bridge Update:

JHL Estimate: Mr. Ritz provided an update for the Boards and presented the estimate provided by JHL. Following discussion, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards approved the JHL estimate in an amount not to exceed \$338,000, contingent upon approval provided by the Districts' insurance.

S.A. Miro Proposal for Pothole Repair and Coordination in the amount of \$15,000.00: Director Schlicht and Mr. Carr reviewed the proposal with the Boards. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Board approved the S.A. Miro Proposal for Pothole Repair and Coordination in the amount of \$15,000.00.

Tryg Proposal to Repair Exhaust Fans in Pedestrian Bridge in the amount of \$1395.00: Ms. Jones reviewed the Tryg proposal with the Boards. Following discussion, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards ratified approval of the Tryg Proposal to repair exhaust fans in pedestrian bridge in the amount \$1395.00.

Sustainable Landscapes – Colorado Proposal for 2023-2024 Snow Removal: Following discussion, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards approved the Sustainable Landscapes – Colorado proposal for 2023-2024 Snow Removal.

FINANCIAL MATTERS

Claims in the amount of \$42,013.81 (District No. 1): Ms. Beacom reviewed the claims with the District No. 1 Board. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the District No. 1 Board approved the claims in the amount of \$42,013.81.

Claims in the amount of \$10,392.86 (District No. 3): Ms. Beacom reviewed the claims with the District No. 3 Board. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the District No. 3 Board approved the claims in the amount of \$10,392.86.

June 30, 2023 Unaudited Financial Statements: Ms. Pangindian reviewed the financial statements with the Boards. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards accepted the June 30, 2023 Unaudited Financial Statements.

District No. 1 Corporex Development and Construction Management, LLC (“CDCM”) Pay Apps for Garage Construction and Other Pay Apps in the amount of \$1,868,311.13: Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the District No. 1 Board ratified approval of the CDCM Pay Apps for garage construction and other Pay Apps in the amount of \$1,868,311.13.

District No. 3 Draw Request No. 13 in the amount of \$1,868,311.13, Requisition Request No. 16 in the amount of \$1,868,311.13 for Pay Apps and Other Expenses: Ms. Beacom reviewed these items with the Board. Following review, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the District No. 3 Board ratified approval of Draw Request No. 13 in the amount of \$1,868,311.13, Requisition Request No. 16 in the amount of \$1,868,311.13 for Pay Apps and other expenses.

LEGAL MATTERS None.

DIRECTOR MATTERS None.

OTHER BUSINESS None.

ADJOURNMENT There being no further business to come before the Boards at this time, upon a motion duly made by Director Schlicht, seconded by Director Havard and, upon vote, unanimously carried, the Boards adjourned the meeting at 8:42 a.m.

Respectfully submitted,

By _____
Secretary for the Meeting (District Nos. 1 & 2)

By _____
Secretary for the Meeting (District No. 3)

**FITZSIMONS METRO DISTRICT NO. 3
INTERIM CLAIMS
AUGUST 19, 2023 - SEPTEMBER 8, 2023**

<u>Process Date</u>	<u>Vendor</u>	<u>Invoice Number</u>	<u>Amount</u>
9/5/2023	CliftonLarsonAllen LLP	Multiple	\$ 9,424.76
9/5/2023	Diversified Underground Inc.	28097	5.00
9/5/2023	HSS Inc	Multiple	1,132.80
9/5/2023	Roth Property Maintenance LLC	66549	1,705.00
9/5/2023	S A Miro, Inc	34037	1,330.00
9/5/2023	Spencer Fane	1214358	3,582.30
9/5/2023	Sustainable Landscapes Colorado LLC	Multiple	3,970.37
9/5/2023	UNCC	223070575	1.29
9/5/2023	Xcel Energy	841303799	664.32
			<u>\$ 21,815.84</u>

**FITZSIMONS METRO DISTRICT NO. 3
INTERIM CLAIMS
AUGUST 19, 2023 - SEPTEMBER 8, 2023**

<u>Process Date</u>	<u>Vendor</u>	<u>Invoice Number</u>	<u>Amount</u>
9/5/2023	CliftonLarsonAllen LLP	Multiple	\$ 4,465.05
9/5/2023	Spencer Fane	1214359	264.00
9/5/2023	Sustainable Landscapes Colorado LLC	129742	756.98
9/5/2023	UMB Bank, N. A.	939531	5,000.00
			<u>\$ 10,486.03</u>

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
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YEAR ENDED DECEMBER 31, 2022**

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INSERT INDEPENDENT AUDITOR'S REPORT

(1)

BASIC FINANCIAL STATEMENTS

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Cash and Investments	\$ 9,556
Cash and Investments - Restricted	621,434
Receivable - County Treasurer	1,418
Receivable - Other	27,385
Due from Fitzsimons Village No. 3	233,498
Prepaid Expenses	1,395
Property Taxes Receivable	30,105
Capital Assets, Not Being Depreciated	1,721,193
Capital Assets, Net of Accumulated Depreciation	6,716,242
Total Assets	9,362,226
LIABILITIES	
Accounts Payable	383,672
Retainage Payable	80,030
Due to ARTA	5,022
Due to Fitzsimons No. 2	2,471
Accrued Interest Payable - Bonds	52,062
Noncurrent Liabilities:	
Due Within One Year	20,000
Due in More Than One Year	9,292,625
Total Liabilities	9,835,882
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Taxes	30,105
Total Deferred Inflows of Resources	30,105
NET POSITION	
Net Investment in Capital Assets	2,058,994
Restricted for:	
Emergency Reserves	9,800
Unrestricted	(2,572,555)
Total Net Position	\$ (503,761)

See accompanying Notes to Basic Financial Statements.

(1)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Government Activities:					
General Government	\$ 945,116	\$ 83,164	\$ 262,247	\$ -	\$ (599,705)
Interest and Related Costs on Long-Term Debt	1,438,248	-	-	2,913,962	1,475,714
Total Governmental Activities	\$ 2,383,364	\$ 83,164	\$ 262,247	\$ 2,913,962	876,009
GENERAL REVENUES					
Property Taxes					31,057
Specific Ownership Taxes					19,272
Interest Income					11,413
Total General Revenues					61,742
CHANGE IN NET POSITION					937,751
Net Position - Beginning of Year					(1,441,512)
NET POSITION - END OF YEAR					\$ (503,761)

See accompanying Notes to Basic Financial Statements.

(2)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Debt Service 2021 Bonds	Debt Service 2020 A&B Bonds	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments - Unrestricted	\$ 9,556	\$ -	\$ -	\$ -	\$ 9,556
Cash and Investments - Restricted	9,800	1,256	610,378	-	621,434
Receivable - County Treasurer	256	-	1,162	-	1,418
Receivable - Other	25,945	1,440	-	-	27,385
Due from Fitzsimons Village No. 3	-	1,304	36,224	242,043	279,571
Prepaid Expenses	1,395	-	-	-	1,395
Property Taxes Receivable	5,429	-	24,676	-	30,105
Total Assets	\$ 52,381	\$ 4,000	\$ 672,440	\$ 242,043	\$ 970,864
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 133,388	\$ 1,315	\$ 2,000	246,969	\$ 383,672
Due to ARTA	5,022	-	-	-	5,022
Due to Fitzsimons Village No. 2	1,226	1,245	-	-	2,471
Due to Fitzsimons Village No. 3	43,848	1,440	785	-	46,073
Retainage Payable	-	-	-	80,030	80,030
Total Liabilities	183,484	4,000	2,785	326,999	517,268
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	5,429	-	24,676	-	30,105
Total Deferred Inflows of Resources	5,429	-	24,676	-	30,105
FUND BALANCES					
Nonspendable:					
Prepaid Expenses	1,395	-	-	-	1,395
Restricted for:					
Emergency Reserves	9,800	-	-	-	9,800
Debt Service	-	-	644,979	-	644,979
Capital Projects	-	-	-	-	-
Unassigned	(147,727)	-	-	(84,956)	(232,683)
Total Fund Balances	(136,532)	-	644,979	(84,956)	423,491
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 52,381	\$ 4,000	\$ 672,440	\$ 242,043	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets, Not Being Depreciated	1,721,193
Capital Assets, Net of Accumulated Depreciation	6,716,242

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(7,841,396)
Accrued Interest Payable - Bonds	(308,254)
Developer Advance Payable	(892,447)
Accrued Interest Payable - Developer Advances	(322,590)

Net Position of Governmental Activities	\$ (503,761)
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See accompanying Notes to Basic Financial Statements.

(3)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service 2021 Bonds	Debt Service 2020 A&B Bonds	Capital Projects	Total Governmental Funds
REVENUES					
AURA Funding - Lodger Tax	\$ -	\$ 209,897	\$ -	\$ -	\$ 209,897
AURA Funding - Property Tax	-	628,982	-	-	628,982
AURA Funding - Sales Tax	-	63,693	-	-	63,693
Interest Income	35	-	11,378	-	11,413
Insurance Proceeds	33,888	-	-	-	33,888
Operations and Maintenance Fees	79,378	-	-	-	79,378
Parking Revenue	3,786	-	-	-	3,786
Property Taxes	5,091	-	25,457	-	30,548
Property Taxes - ARI	509	-	-	-	509
Public Improvement Fees - Debt Service	-	33,817	-	-	33,817
Public Improvement Fees - Excess Collection Fee	52,377	-	-	-	52,377
Public Improvement Fees - Operations and Maintenance	98,285	-	-	-	98,285
Specific Ownership Taxes	3,475	-	15,797	-	19,272
TIF Property Taxes	22,605	-	69,063	-	91,668
TIF Property Taxes - ARI	4,521	-	-	-	4,521
Transfer from Fitzsimons Village No. 2 - Taxes	19,917	-	-	-	19,917
Transfer from Fitzsimons Village No. 3 - Public Improvement Fees	-	-	280,195	-	280,195
Transfer from Fitzsimons Village No. 3 - Capital Expenditures	-	-	-	1,641,163	1,641,163
Total Revenues	323,867	936,389	401,890	1,641,163	3,303,309
EXPENDITURES					
General and Administrative:					
Accounting	59,325	-	-	-	59,325
Accounting - Unbudgeted	4,953	-	-	-	4,953
ARI Payment	4,955	-	-	-	4,955
Audit	4,750	-	-	-	4,750
County Treasurer's Fee	84	-	383	-	467
District Management	13,230	-	-	-	13,230
District Management - Unbudgeted	43,529	-	-	-	43,529
Dues and Membership	882	-	-	-	882
Election	2,698	-	-	-	2,698
Insurance and Dues	17,091	-	-	-	17,091
Legal	17,415	-	-	4,926	22,341
Miscellaneous	3,911	-	-	-	3,911
Operations and Maintenance:					
Colfax Bridge Repairs	88,613	-	-	-	88,613
Elevator Maintenance	3,441	-	-	-	3,441
Inspection and Maintenance Report	2,243	-	-	-	2,243
Janitorial Services	22,585	-	-	-	22,585
Landscape Maintenance - Contract	51,326	-	-	-	51,326
Landscape Maintenance - Floral	8,370	-	-	-	8,370
Light Fixture Repairs	40,518	-	-	-	40,518
Parking Enforcement	19,382	-	-	-	19,382
Security Services	5,706	-	-	-	5,706
Snow Removal	89,614	-	-	-	89,614
Tree Maintenance	21,878	-	-	-	21,878
Utility Locating	364	-	-	-	364
Utilities	31,126	-	-	-	31,126
Various - Repairs & Maintenance	17,240	-	-	-	17,240
Debt Service:					
Bond Interest - Senior Bonds	-	-	312,750	-	312,750
Bond Principal - Senior Bonds	-	-	15,000	-	15,000
Paying Agent/Trustee Fees	-	-	7,000	-	7,000
Transfer to Fitzsimons Village No. 3 - AURA Funding	-	902,572	-	-	902,572
Transfer to Fitzsimons Village No. 3 - PIF	-	33,817	-	-	33,817
Capital Projects:					
Engineering	-	-	-	19,635	19,635
Public Infrastructure	-	-	-	1,701,558	1,701,558
Total Expenditures	575,229	936,389	335,133	1,726,119	3,572,870

See accompanying Notes to Basic Financial Statements.

(4)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service 2021 Bonds	Debt Service 2020 A&B Bonds	Capital Projects	Total Governmental Funds
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(251,362)	-	66,757	(84,956)	(269,561)
OTHER FINANCING SOURCES (USES)					
Developer Advance - Corporex	157,000	-	-	-	157,000
Total Other Financing Sources (Uses)	<u>157,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,000</u>
NET CHANGE IN FUND BALANCES	(94,362)	-	66,757	(84,956)	(112,561)
Fund Balances - Beginning of Year	<u>(42,170)</u>	<u>-</u>	<u>578,222</u>	<u>-</u>	<u>536,052</u>
FUND BALANCES - END OF YEAR	<u>\$ (136,532)</u>	<u>\$ -</u>	<u>\$ 644,979</u>	<u>\$ (84,956)</u>	<u>\$ 423,491</u>

See accompanying Notes to Basic Financial Statements.

(5)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ (112,561)

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

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

Capital Outlay	1,721,193
Depreciation	(364,961)

Long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Principal Payment - Senior Bonds	15,000
Developer Advances - Principal - Operations	(157,000)

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

Accrued Interest on Bonds - Change in Liability	(122,705)
Accrued Interest on Developer Advances - Change in Liability	(59,021)
Amortization of Bond Premium	17,806
	17,806

Change in Net Position of Governmental Activities	\$ 937,751
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See accompanying Notes to Basic Financial Statements.

(6)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ -	\$ 34	\$ 35	\$ 1
Insurance Proceeds	-	33,888	33,888	-
Operations and Maintenance Fees	79,378	79,378	79,378	-
Parking Revenue	8,500	3,786	3,786	-
Property Taxes	5,088	5,091	5,091	-
Property Taxes - ARI	509	509	509	-
Public Improvement Fees - Excess Collection Fee	38,000	52,377	52,377	-
Public Improvement Fees - Operations and Maintenance	89,250	98,285	98,285	-
Specific Ownership Taxes	3,489	3,475	3,475	-
TIF Property Taxes	31,500	22,605	22,605	-
TI F Property Taxes - ARI	6,500	4,521	4,521	-
Transfer from Fitzsimons Village No. 2 - Taxes	20,106	19,917	19,917	-
Total Revenues	282,320	323,866	323,867	1
EXPENDITURES				
General and Administrative:				
Accounting	59,325	59,325	59,325	-
Accounting - Unbudgeted	-	4,953	4,953	-
ARI Payment	6,904	4,955	4,955	-
Audit	4,830	4,750	4,750	-
County Treasurer's Fee	84	84	84	-
District Management	13,230	13,230	13,230	-
District Management - Unbudgeted	-	43,529	43,529	-
Dues and Membership	3,000	882	882	-
Election	15,000	2,698	2,698	-
Insurance	17,000	17,091	17,091	-
Legal	25,000	23,342	17,415	5,927
Miscellaneous	5,127	13,738	3,911	9,827
Operations and Maintenance:				
Baysaver Cleaning	15,000	-	-	-
Colfax Bridge Painting	30,000	-	-	-
Colfax Bridge Repairs	-	88,613	88,613	-
Contingency	7,005	-	-	-
Elevator Inspection	5,000	-	-	-
Elevator Maintenance	3,150	3,441	3,441	-
Inspection and Maintenance Report	5,000	2,243	2,243	-
Janitorial Services	16,275	22,585	22,585	-
Light Fixture Repairs	7,500	40,518	40,518	-
Parking Enforcement	37,800	19,382	19,382	-
Property Management	10,500	-	-	-
Security Services	10,500	5,706	5,706	-
Snow Removal	95,000	89,614	89,614	-
Landscape Maintenance - Contract	15,000	52,150	51,326	824
Landscape Maintenance - Floral	6,500	10,462	8,370	2,092
Tree Maintenance	-	21,878	21,878	-
Utility Locating	270	364	364	-
Utilities	15,000	32,662	31,126	1,536
Various - Repairs & Maintenance	30,000	17,805	17,240	565
Window Cleaning - Bridge	1,000	-	-	-
Total Expenditures	459,000	596,000	575,229	20,771

See accompanying Notes to Basic Financial Statements.

(7)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Developer Advance - Corporex	178,980	273,434	157,000	(116,434)
Total Other Financing Sources (Uses)	<u>178,980</u>	<u>273,434</u>	<u>157,000</u>	<u>(116,434)</u>
NET CHANGE IN FUND BALANCE	2,300	1,300	(94,362)	(95,662)
Fund Balance - Beginning of Year	<u>7,200</u>	<u>7,200</u>	<u>(42,170)</u>	<u>(49,370)</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,500</u>	<u>\$ 8,500</u>	<u>\$ (136,532)</u>	<u>\$ (145,032)</u>

See accompanying Notes to Basic Financial Statements.

(8)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Fitzsimons Village Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized in July 2006 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located within the City of Aurora (the City), Arapahoe County, Colorado. The District was organized to provide financing for the design, acquisition, construction, and installation of public improvements and related operations and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sewer, transportation, mosquito control, limited fire protection, and television relay and translation facilities and services. When appropriate, these improvements will be dedicated to the City, Arapahoe County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District (the Operating District) was organized in conjunction with two other related districts, Fitzsimons Village Metropolitan District No. 2 and Fitzsimons Village Metropolitan District No. 3 (the Taxing Districts).

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct 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 as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, public improvement fees, and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Debt Service Fund – 2021 Bonds accounts for the resources accumulated and transferred to District No. 3 to pay the principal and interest on its Series 2021 Bonds.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Debt Service Fund – 2020 A&B Bonds accounts for the resources accumulated and payments made for principal and interest on the Series 2020 A&B Bonds issued by the District.

The Capital Projects Fund accounts for resources to be used for the acquisition and construction of capital infrastructure.

Budgets

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 appropriation is at the total fund expenditures and financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

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

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 taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are 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 inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

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

Colfax Avenue Pedestrian Bridge	30 Years
Streets	30 Years
Parking Meters	8 Years

Deferred Inflows of Resources

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

Amortization

Original Issue Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur.

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

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

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

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

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

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

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

Deficit

The General Fund and Capital Project Fund reported a deficit in the fund financial statements as of December 31, 2022. The deficit was eliminated with Developer advances received in 2023.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Unrestricted	\$ 9,556
Cash and Investments - Restricted	621,434
Total Cash and Investments	<u>\$ 630,990</u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 18,642
Investments	612,348
Total Cash and Investments	<u>\$ 630,990</u>

Deposits with Financial Institutions

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

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

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$18,642.

Investments

The District has adopted a policy authorizing investments in accordance with state statutes.

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

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

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 612,348

COLOTRUST

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

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

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

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 1,721,193	\$ -	\$ 1,721,193
Total Capital Assets, Not Being Depreciated	-	1,721,193	-	1,721,193
Capital Assets, Being Depreciated:				
Streets	\$ 7,118,195	\$ -	\$ -	\$ 7,118,195
Bridge and Improvements	3,830,625	-	-	3,830,625
Equipment (Parking Meters)	58,876	-	-	58,876
Total Capital Assets, Being Depreciated	11,007,696	-	-	11,007,696
Less Accumulated Depreciation For:				
Streets	(2,533,390)	(237,273)	-	(2,770,663)
Bridge and Improvements	(1,334,227)	(127,688)	-	(1,461,915)
Equipment (Parking Meters)	(58,876)	-	-	(58,876)
Total Accumulated Depreciation	(3,926,493)	(364,961)	-	(4,291,454)
Total Capital Assets, Net	7,081,203	(364,961)	-	6,716,242
Governmental Activities Capital Assets, Net	<u>\$ 7,081,203</u>	<u>\$ 1,356,232</u>	<u>\$ -</u>	<u>\$ 8,437,435</u>

Depreciation costs of the assets owned by the District, totaling \$364,961, was charged to general government function of the District for the year ended December 31, 2022.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
<u>Bonds:</u>					
Limited Tax G.O. and Special Revenue Refunding Bonds, Series 2020A	\$ 6,255,000		\$ 15,000	\$ 6,240,000	\$ 20,000
Subordinate Limited Tax G.O. and Special Revenue Refunding Bonds, Series 2020B	1,222,000			1,222,000	-
Bond Premium - Series 2020A	397,202		17,806	379,396	-
Subordinate Limited Tax G.O. and Special Revenue Refunding Bonds, Series 2020B Interest	159,487	96,705	-	256,192	
Subtotal Bonds Payable	8,033,689	96,705	32,806	8,097,588	20,000
<u>Other Debts:</u>					
Developer Advances - Operating	\$ 735,447	\$ 157,000	\$ -	\$ 892,447	\$ -
Developer Advances - Capital	-	-	-	-	-
Accrued Interest on Developer Advances - Operating	263,569	59,021	-	322,590	-
Accrued Interest on					
Subtotal Other Debts	999,016	216,021	-	1,215,037	-
Total Long-Term Obligations	<u>\$ 9,032,705</u>	<u>\$ 312,726</u>	<u>\$ 32,806</u>	<u>\$ 9,312,625</u>	<u>\$ 20,000</u>

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

\$6,265,000 Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A

On March 11, 2020, the District issued Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A (the 2020A Bonds) in the amount of \$6,265,000. Proceeds from the sale of the 2020A Bonds were used for the purposes of (i) currently refunding the Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2014A and the Tax Increment/Public Improvement Fee Supported Subordinate Revenue Bonds, Series 2014B, previously issued by District No. 3; (ii) funding the Senior Reserve Fund; and (iii) paying costs incurred in connection with the issuance of the 2020A Bonds. The 2020A Bonds are secured by and payable from Senior Pledged Revenue, consisting of District Pledged Revenue and District No. 3 Pledged Revenue. The District Pledged Revenue generally consists of the moneys derived by the District from the following sources, net of any costs of collection; (a) Senior Property Tax Revenues, (b) the portion of Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy and, during the TIF Revenues Term, the District No. 1 Debt Service Mill Levy; and (c) the PIF Revenues.

The Senior Property Tax Revenues, as more particularly described herein, generally consist of: (i) during the TIF Revenues Term, ad valorem property tax revenue derived from 15 mills imposed on both the "base" and "incremental" assessed valuation of TIF Area I and ad valorem property tax revenue derived from .35 mills imposed on the "base" assessed valuation of TIF Area I; and (ii) after the TIF Revenues Term, ad valorem property tax revenue derived from 50 mills imposed on the total assessed valuation of the District. District No. 3 Pledged Revenue generally consists of the following revenues pledged pursuant to the Pledge Agreement: (a) any and all amounts received by District No. 3 under the AURA Agreement which constitute Senior Property Tax Revenues under the Senior Indenture; and (b) PIF Revenues. The 2020A Bonds is also secured by amounts on deposit in the Senior Reserve Fund, which were funded with proceeds of the 2020A Bonds in the amount of \$579,585 and, by moneys accumulated in the Surplus Fund, if any. The 2020A Bonds bear interest at 5.00%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The 2020A Bonds mature on December 1, 2049.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this Section:

- (a) The District fails or refuses to impose the Required Mill Levy and, during the TIF Revenues Term, the District No. 1 Debt Service Mill Levy, or to apply the Pledged Revenue as required by this Indenture or District No. 3 fails or refuses to apply the revenues resulting from the District No. 3 Pledged Revenue as required by the Pledge Agreement;
- (b) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution;
- (c) Failure of the District to enforce or cooperate in the enforcement of any of the Trust Estate Agreements upon a material default thereunder by any party thereto, if such material default could result in impairing or diminishing the collection or amount of the Pledged Revenue; or
- (d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default hereunder.

The Series 2020A Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Series 2020A Bonds.

The Series 2020A Bonds are not subject to early termination and are not subject to acceleration.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$6,265,000 Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A (Continued)

The 2020A Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities, on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest.

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025 to February 28, 2026	3.00 %
March 1, 2026 to February 28, 2027	2.00
March 1, 2027 to February 29, 2028	1.00
March 1, 2028, and thereafter	0.00

\$1,222,000 Subordinate Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020B

On March 11, 2020, the District also issued Subordinate Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020B (the 2020B Bonds) in the amount of \$1,222,000. Proceeds from the sale of the 2020B Bonds were used for the purposes of currently refunding the Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2014B, previously issued by District No. 3. The 2020B Bonds are “cash flow” obligations of the District secured by and payable from the Subordinal Pledged Revenue, consisting of the Subordinate District Pledged Revenue and, to the extent remaining after application to debt service on the 2020A Bonds and certain other requirements set forth in the Senior Indenture, the District No. 3 Pledged Revenue. The 2020B Bonds were issued at the rate of 7.00% payable annually to the extent of Subordinate Pledged Revenue available on December 15, commencing December 15, 2020. The 2020B Bonds are structured as “cash flow” bonds meaning that there are no regularly scheduled payments of principal prior to their maturity. The 2020B Bonds mature on December 15, 2049.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$1,222,000 Subordinate Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020B (Continued)

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this Section:

- (a) The District fails or refuses to impose the Subordinate Required Mill Levy and, during the TIF Revenues Term, the District No. 1 Debt Service Mill Levy, or to apply the Subordinate Pledged Revenue as required by this Indenture or District No. 3 fails or refuses to apply the revenues resulting from the District No. 3 Pledged Revenue as required by the Pledge Agreement;
- (b) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution;
- (c) Failure of the District to enforce or cooperate in the enforcement of any of the Trust Estate Agreements upon a material default thereunder by any party thereto, if such material default could result in impairing or diminishing the collection or amount of the Pledged Revenue; or
- (d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default hereunder.

The Series 2020B Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Series 2020B Bonds.

The Series 2020B Bonds are not subject to early termination and are not subject to acceleration.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The District's 2020A Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 20,000	\$ 312,000	\$ 332,000
2024	25,000	311,000	336,000
2025	25,000	309,750	334,750
2026	30,000	308,500	338,500
2027	35,000	307,000	342,000
2028-2032	270,000	1,502,000	1,772,000
2033-2037	445,000	1,418,000	1,863,000
2038-2042	1,325,000	1,253,750	2,578,750
2043-2047	2,335,000	797,000	3,132,000
2048-2049	1,730,000	145,000	1,875,000
Total	<u>\$ 6,240,000</u>	<u>\$ 6,664,000</u>	<u>\$ 12,904,000</u>

Authorized Debt

On May 2, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$4,211,840,000. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 2, 2006	Authorization Used for Series 2010A Bonds	Authorization Used for Series 2010B Bonds	Authorization Used for 2014 Capital Pledge Agreement with District No. 3	Authorization Used for 2020A&B Bonds	Authorization Used for 2021 Capital Pledge Agreement with District No. 3	Authorized But Unissued
Streets	\$ 382,440,000	\$ 11,003,209	\$ 2,197,672	\$ -	\$ -	\$ 29,661,241	\$ 339,577,878
Water	382,440,000	527,275	96,077	-	-	-	381,816,648
Sanitary Sewer	382,440,000	4,291,336	706,251	-	-	-	377,442,413
Parks and Recreation	382,440,000	998,180	-	-	-	800,000	380,641,820
Traffic and Safety	382,440,000	-	-	-	-	-	382,440,000
Mosquito Control	382,440,000	-	-	-	-	-	382,440,000
Public Transportation	382,440,000	-	-	-	-	-	382,440,000
Fire Protection	382,440,000	-	-	-	-	-	382,440,000
Television Relay and Translation	382,440,000	-	-	-	-	-	382,440,000
Operations and Maintenance	5,000,000	-	-	-	-	-	5,000,000
Debt Refunding	382,440,000	-	-	-	7,487,000	17,453,759	357,499,241
Intergovernmental Contracts	382,440,000	-	-	7,155,000	-	-	375,285,000
Total	<u>\$ 4,211,840,000</u>	<u>\$ 16,820,000</u>	<u>\$ 3,000,000</u>	<u>\$ 7,155,000</u>	<u>\$ 7,487,000</u>	<u>\$ 47,915,000</u>	<u>\$ 4,129,463,000</u>

The District's Service Plan limits total debt issuance to not exceed \$382,440,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's services area, however, as of the date of this audit, the amount and timing of any future debt issuances are not determinable.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances

The District has entered into the following Funding Agreements:

2008 Facilities Funding and Reimbursement Agreement dated December 10, 2007 (2008 FFA) – The 2008 FFA is between the District and BWAB-Fitzsimmons LLC (General Developer). Subject to certain provisions in the 2010 FAA, the District is obligated to reimburse the General Developer under the 2008 FFA for costs of public improvements, as verified by the District’s Engineer, in an amount not to exceed \$2,735,000 plus accrued interest. Interest will continue to accrue on all unpaid amounts at the rate of 8.0% per annum. The obligation to reimburse the General Developer under the 2008 FFA is fully subordinate to, among other things, the obligation to reimburse the Office Developer and the Hotel Developer under the 2010 FAA. In 2011, the District acquired and recorded a total of \$2,718,948 of public improvements under the 2008 FFA. In February 2020, the General Developer assigned all its rights, title and interest under the 2008 FFA and 2010 FAA to Corporex Colorado LLC. All outstanding principal and interest was paid to Corporex Colorado LLC in December 2021.

2010 Facilities Acquisition Agreement dated April 29, 2010 (2010 FAA) – The 2010 FAA is between the District, the General Developer, CPX Aurora Hotel, LLC (Hotel Developer), and CPX Aurora Office, LLC (Office Developer). Under the 2010 FAA, the Hotel Developer and the Office Developer (collectively CPX Aurora) will provide the District Engineer with copies of contracts related to the construction of District Development Work. The District Engineer will issue a Cost Verification Letter or Engineer’s Certificate confirming that the costs are both reasonable and subject to reimbursement. Upon receipt of the Engineer’s Certificate by the District, CPX Aurora has the right to draw on the funds maintained in escrow accounts, subject to the provisions of the Escrow Agreement with UMB Bank, n.a. (the Escrow Agent). To the extent advances made are not reimbursed from bond proceeds, interest shall accrue from the date the costs were incurred by CPX Aurora until paid at a rate of 8% per annum. On June 9, 2011, the District entered into the First Amendment to Facilities Acquisition Agreement to modify certain payment obligation priorities and document the amount due and owing to the General Developer. All outstanding principal and interest was paid in December 2021.

In 2014, the District recorded an additional liability to CPX Aurora for parking meters installed by the Developer in 2012 on behalf of the District. All outstanding principal and interest was paid in December 2021.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

2010 Operation Funding Agreement and Termination of Prior Operation Funding Agreements dated April 29, 2010 (2010 OFA), 2013 Operation Funding Agreement (2013 OFA), 2014 Operation Funding Agreement (2014 OFA), and 2016 Operation Funding Agreement (2016 OFA) – The 2010 OFA is between the District, the General Developer and CPX Aurora. The 2010 OFA terminates the District's Prior Operation Funding Agreements with the General Developer and replaces those Prior Operation Funding Agreements with the 2010 OFA. The parties agree that Prior Advances made by the General Developer under the Prior Operation Funding Agreements, including accrued interest, will remain outstanding and continue to accrue interest at the rate of 8% per annum until paid. CPX Aurora shall advance funds if needed going forward under annual Operation Funding Agreements. Interest on advances under such agreements shall be 8% per annum. As of December 31, 2022, outstanding advances under the 2010 OFA totaled \$49,394 and accrued interest totaled \$60,873. In 2011 and 2012, the District and CPX Aurora entered into Operation Funding Agreements effective January 1, 2011 and 2012 (the 2011 OFA and the 2012 OFA), respectively, setting forth substantially the same terms set forth in the 2010 OFA with respect to providing funds to cover certain shortfalls.

On November 8, 2012 (effective January 1, 2013), the District entered into the 2013 OFA with CPX Aurora. The 2013 OFA prioritizes the repayment of the Prior Advances, the outstanding funds advanced under the 2010 OFA, the 2011 OFA, the 2012 OFA, and the 2013 OFA as well as setting forth the rights, obligations and procedures for CPX Aurora to advance funds and for the District to reimburse CPX Aurora for the advances made. The 2013 OFA expires on December 31, 2053, unless terminated earlier by mutual agreement of all parties. Any obligation of CPX Aurora to advance funds under the 2013 OFA expired on March 31, 2014. Any obligation of the District to reimburse CPX Aurora expires on December 31, 2053. In the event the District has not reimbursed CPX Aurora for any Developer Advance made pursuant to the 2013 OFA on or before December 31, 2053, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. Any obligation of the District to reimburse the General Developer expires on December 31, 2046.

On November 27, 2013 (effective January 1, 2014), the District entered into the 2014 OFA with CPX Aurora. The 2014 OFA prioritizes the repayment of the Prior Advances, the outstanding funds advanced under the 2010 OFA, the 2011 OFA, the 2012 OFA, the 2013 OFA, and the 2014 OFA as well as setting forth the rights, obligations and procedures for CPX Aurora to advance funds and for the District to reimburse CPX Aurora for the advances made. The 2014 OFA expires on December 31, 2054, unless terminated earlier by mutual agreement of all parties. Any obligation of CPX Aurora to advance funds under the 2014 OFA expired on March 31, 2015. Any obligation of the District to reimburse CPX Aurora expires on December 31, 2054. In the event the District has not reimbursed CPX Aurora for any Developer Advance made pursuant to the 2014 OFA on or before December 31, 2054, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. Any obligation of the District to reimburse the General Developer expires on December 31, 2046.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

2010 Operation Funding Agreement and Termination of Prior Operation Funding Agreements dated April 29, 2010 (2010 OFA), 2013 Operation Funding Agreement (2013 OFA), 2014 Operation Funding Agreement (2014 OFA), and 2016 Operation Funding Agreement (2016 OFA) (Continued)

On December 7, 2015 (effective January 1, 2016), the District entered into the 2016 OFA with CPX Aurora, as amended on November 10, 2017 to extend the term and increase the Shortfall Amount (as defined in the 2016 OFA). The 2016 OFA prioritizes the repayment of the Prior Advances, the outstanding funds advances under the 2010 OFA, the 2011 OFA, the 2012 OFA, the 2013 OFA, the 2014 OFA, and the 2016 OFA as well as setting forth the rights, obligations and procedures for CPX Aurora to advance funds and for the District to reimburse CPX Aurora for the advances made. The 2016 OFA expires on December 31, 2058, unless terminated earlier by the mutual agreement of all parties. Any obligations of CPX Aurora to advance funds under the 2016 OFA expires upon advance to the District of amounts sufficient to pay expenses incurred in 2016, 2017 and 2018, not to exceed the Shortfall Amount (as defined in the 2016 OFA). Any obligation of the District to reimburse CPX Aurora expires on December 31, 2058. In the event the District has not reimbursed CPX Aurora for any Developer Advance made pursuant to the 2016 OFA on or before December 31, 2058, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. Any obligation of the District to reimburse the General Developer expires on December 31, 2046. As of December 31, 2022, outstanding advances under this agreement totaled \$312,712 and accrued interest totaled \$202,546.

The District entered into the Reimbursement Agreement (2019 – 2024 Operations) with Corporex Colorado LLC (the Developer) with an effective date of January 1, 2019. The Reimbursement Agreement sets for the terms of reimbursement of developer advances. In consideration of advances made by the Developer on behalf of the District or to the general operating account of the District in accordance with the terms of this agreement, the District agrees to pay reimbursements plus interest to the Developer. Reimbursement for advances made by the Developer in each year shall include interest on the outstanding amounts due from the District to the Developer at the annual rate of 7% simple interest beginning on the date of the advance to the date of repayment. As of December 31, 2022, outstanding advances under this agreement totaled \$530,342 and accrued interest of \$59,171.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investment in capital assets, as follows:

Capital Assets, Net	\$ 6,716,242
Current Portion of Long-Term Debt Applicable to Capital Assets	(13,534)
Noncurrent Portion of Long-Term Debt Applicable to Capital Assets	(5,035,912)
Unspent Bond Proceeds Applicable to Capital Assets	392,198
Net Investment in Capital Assets	<u>\$ 2,058,994</u>

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022, as follows:

Restricted Net Position:	
Emergency Reserves	<u>\$ 9,800</u>
Total Restricted Net Position	<u>\$ 9,800</u>

The District has a deficit in unrestricted net position. This deficit amount is primarily a result of the District being responsible for the repayment of bonds issued, and accrued interest, for the construction of public improvements conveyed to other governments.

NOTE 7 AGREEMENTS

City IGA

On June 30, 2008, the District, District No. 2 and Fitzsimons Village Metropolitan District No. 3 (District No. 3, and collectively, the Districts) executed intergovernmental agreements with the City (collectively, the City IGA), pursuant to which the Districts agreed to retain ownership or dedicate public improvements to the City or other appropriate jurisdiction or owners association. The City IGA also reaffirms certain requirements and restrictions set forth in the Service Plan, including District No. 2's obligation to impose the ARI Mill Levy and convey the revenue from the ARI Mill Levy to the Aurora Regional Transportation Authority for the provision of regional improvements which includes the planning, design, acquisition, construction, installation and redevelopment of street and transportation related improvements.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 AGREEMENTS (CONTINUED)

FFCO Agreement

On April 29, 2010, the Districts entered into the Facilities Funding, Construction and Operations Agreement, as amended on August 21, 2014, by a First Amendment to Facilities Funding, Construction and Operations Agreement and as amended on November 1, 2021 by a Second Amendment (as so amended, the FFCO Agreement). The FFCO Agreement establishes certain expectations as to the financing, construction, operation, and maintenance of improvements contemplated in the Service Plan for the purpose of providing, in a timely and coordinated manner, essential services in the community to be served by the Districts. The FFCO Agreement anticipates that the Districts will, from time to time, enter into intergovernmental agreements whereby one or more of the Districts will act as an issuing district and/or an operating district to finance certain public improvements and one or more of the Districts will act as a taxing district to pledge revenues for the financing, operations and maintenance of the public improvements.

Capital Pledge Agreements

On March 11, 2020, the District (Issuing District), District No. 3 (Taxing District) and UMB Bank, n.a. (Trustee) entered into a Capital Pledge Agreement (the 2020 Capital Pledge Agreement) to secure payment of the District's Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A issued by the District on March 11, 2020, for purposes of (i) currently refunding the Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2014A and the Tax Increment/Public Improvement Fee Supported Subordinate Revenue Bonds, Series 2014B, previously issued by District No. 3; (ii) funding the Senior Reserve Fund, and (iii) paying costs incurred in connection with the issuance of the Bonds. Pursuant to the 2020 Pledge Agreement, District No. 3 has pledged certain property tax revenues received under the Intergovernmental Agreement more specifically described and defined herein as the District No. 3 Pledged Revenue, the PIF revenues and other revenues to the District for the payment of the Bonds. District No. 3 Pledged Revenue generally consists of the following revenues pledged pursuant to the Pledge Agreement: (a) any and all amounts received by District No. 3 under the AURA Agreement which constitute Senior Property Tax Revenues under the Senior Indenture; and (b) PIF Revenues.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Capital Pledge Agreements (Continued)

On December 28, 2021, the District, District No. 3 (Issuing District) and UMB Bank, n.a. (Trustee) entered into a Capital Pledge Agreement (the Pledge Agreement) to secure payment of the Issuing District's Limited Tax General Obligation and Special Revenue Refund and Improvement Bonds, Series 2021A-1, and the Issuing District's Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2. Pursuant to the Pledge Agreement, all revenue comprising of the District's Shared Pledged Revenue and the District's Taxable Shared Revenue is pledged to the Series 2021A-1 and Series 2021A-2 Bonds. The District's Shared Pledged Revenue generally consists of (a) the 2008 PFRA Revenue, (b) the Use Restrictions Revenue, (c) the TCHA Payments and (d) any other legally available moneys which the District determines to transfer to the Custodian for application pursuant to the terms of the Custodial Agreement. The District's Taxable Pledged Revenue generally consists of (a) District No. 2 PIF Revenues less the Collection Fee and less the District Operations and Maintenance Costs, (b) the Parking Fees, and (c) any other legally available moneys which the District determines to transfer to the Taxable Trustee for credit to the Bond Fund under the Series 2021A-2 Taxable Indenture.

Operations Financing IGAs

As contemplated in the FFCO Agreement, on April 29, 2010, the District (as Operating District) entered into an Operations Financing IGA (District 2 OF IGA) with District No. 2 (as Taxing District). Pursuant to the District 2 OF IGA, District No. 2 agrees to pledge revenues received from the imposition of its O&M Mill Levy, along with certain specific ownership taxes associated with such mill levy, for payment of administration expenditures and the operation and maintenance of District-owned improvements.

As contemplated in the FFCO Agreement, on August 21, 2014, the District (as Taxing District) entered into an Operations Financing IGA (District 3 OF IGA) with District No. 2 (as Taxing District) and District No. 3 (as Operating District). Pursuant to the District 3 OF IGA, the District agreed to pledge revenues received from the imposition of its O&M Fee and its Operations Mill Levy, along with certain specific ownership taxes associated with such mill levy, for payment of operation and maintenance costs associated with District No. 3 Improvements (as defined in the District 3 OF IGA).

Use Restrictions Agreement

On April 29, 2010, the District entered into the Use Restrictions Agreement (Agreement) with the Office Developer, the General Developer, and The Children's Hospital Association (Children's). The Agreement sets forth certain payment obligations which will arise if Children's elects to exercise one or more of its purchase options granted in the Children's Office Lease and in the Amended and Restated Purchase Rights Agreement between the Office Developer and Children's dated as of March 30, 2010 (Purchase Rights Agreement). Pursuant to the Children's Office Lease, Children's has certain rights and options to acquire the office building and the parking garage to be constructed and owned by the Office Developer during Phase 1 of the development.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Use Restrictions Agreement (Continued)

Further, the Purchase Rights Agreement provides that Children's has an option to acquire Lot 1, Block 1, Fitzsimons Village Subdivision Filing No. 2. The public infrastructure on the properties by which Children's has options to acquire were financed with bonds issued by the District on April 29, 2010. Accordingly, the parties have agreed that in the event that Children's acquires any or all of the properties, various payments in lieu of taxes which would otherwise be due from Children's but for its tax-exempt status are to be paid to the District or the Trustee and will be applied to the payment of the bonds and to payment of operations and maintenance expenses.

Maintenance Agreement

On April 29, 2010, the District entered into the Maintenance Agreement (Agreement) with Children's, the General Developer and CPX Aurora. The Agreement provides for the coordinated and cost effective management and maintenance of certain public infrastructure within the District, either by the District or by a third-party commercial management company (Manager). The Manager will provide maintenance and repair services, enforce the Rules and Regulations and perform additional services, if needed. The Manager is entitled to charge a management fee.

Aurora Urban Renewal Authority IGA

On August 21, 2014, the District and District No. 3 entered into an Intergovernmental Agreement with the Aurora Urban Renewal Authority (AURA) (the AURA IGA). Pursuant to the AURA IGA, the parties agree to cooperate to assure that ad valorem property taxes levied by the District and District No. 3 and other Pledged Revenues are made available to the District and District No. 3 by AURA for purposes of financing public improvements necessary to develop a hotel, conference center, structured parking facility, and related amenities within the 3.822 acre Project Area (Project).

Following District No. 3's issuance of the Series 2014 Bonds, AURA agreed to make annual disbursements of Pledged Revenues from the Pledged Revenue Fund to District No. 3 or its designee, which revenues consist of the following: 1/3 of the Excess Revenues available for the fiscal year, 100% of the Tax Increment generated by the imposition of the District's Debt Service Mill Levy within the Project Area in excess of 35 mills, and 100% of the Tax Increment generated by the District's Operating Mill Levy and ARI Mill Levy within the Project Area.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Aurora Regional Transportation Authority Establishment Agreement

On February 20, 2008, the District and the Taxing Districts, along with other metropolitan districts within the City, entered into the Aurora Regional Transportation Authority (ARTA) Establishment Agreement (ARTA Agreement). The ARTA Agreement, originally dated August 22, 2006, was amended on August 14, 2007, February 20, 2008, July 21, 2008, June 11, 2009, and June 6, 2013, to add additional metropolitan district members. ARTA will plan, design, acquire, construct, relocate, redevelop, and finance regional improvements within the boundaries of the metropolitan districts which are parties to the ARTA Agreement using the revenue from the ARI Mill Levy of each of the districts. In accordance with the ARTA Agreement, the City has been offered the right to appoint no less than 30% and no more than 49% of the ARTA Board, but since 2014, had not exercised this right. For collection year 2021, District No. 2 imposed 1.000 mill as required by its Service Plan for Aurora Regional Improvements (ARI Mill Levy).

Joint Facilities Fee Resolutions

On April 19, 2010, the Boards of Directors of the District and District No. 2 adopted a Joint Resolution of Fitzsimons Village Metropolitan District Nos. 1 and 2 regarding the Imposition of Facilities Fees (District Nos. 1 & 2 Facilities Fee Resolution), which Resolution was recorded on April 28, 2010. The District Nos. 1 & 2 Facilities Fee Resolution imposes a one-time facilities fee in the amount of \$1.00 per gross square foot on commercial property located within the boundaries of the District and District No. 2 (Commercial Facilities Fee). The Commercial Facilities Fee is imposed on any building intended for nonresidential use and for which a building permit is required by the City, which includes buildings used as office, retail, hotel and other commercial uses, but excludes parking structures associated with buildings for which a separate building permit is obtained. The District Nos. 1 & 2 Facilities Fee Resolution also imposes a one-time facilities fee in the amount of \$1,500 per residential unit for any residential building consisting of one self-contained living unit, whether attached or detached (Residential Facilities Fee). Nonprofit homeowners' associations, governmental entities, and utility providers are exempt from the obligation to pay facilities fees. Facilities fees are due and payable on or before the date of issuance of a building permit for the applicable building or unit. The District Nos. 1 & 2 Facilities Fee Resolution provides that interest will accrue on facilities fees not paid when due at the rate of 12.0% per annum until paid. Revenues derived from the imposition of the Commercial Facilities Fee and Residential Facilities Fee by the District and by District No. 2 are pledged to the payment of the District's Bonds or any other indebtedness issued by the District.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Joint Facilities Fee Resolutions (Continued)

On August 13, 2014, the Boards of Directors of the District and District No. 3 adopted a Joint Resolution of Fitzsimons Village Metropolitan District Nos. 1 and 3 regarding the Imposition of Facilities Fees (District Nos. 1 & 3 Facilities Fee Resolution), which Resolution was recorded on August 21, 2014. The District Nos. 1 & 3 Facilities Fee Resolution imposes a one-time fee in the amount of \$1.00 per gross square foot on property located within the boundaries of the District or District No. 3 and intended for nonresidential use (Commercial Facilities Fee). The Commercial Facilities Fee is imposed on any building intended for nonresidential use and for which a building permit is required by the City, excluding parking structures and any land owned by nonprofit homeowners' associations, governmental entities, or utility providers. The Commercial Facilities Fee is due and payable on or before the date of issuance of a building permit for the applicable building.

The District Nos. 1 & 3 Facilities Fee Resolution provides that interest will accrue on facilities fees not paid when due at the rate of 12% per annum until paid.

Joint Operations and Maintenance Fee Resolution

On September 8, 2011, the Board of Directors of the District, District No. 2, and District No. 3 adopted a Joint Operations and Maintenance Fee Resolution (O&M Fee Resolution). The O&M Fee Resolution imposes a monthly operations and maintenance fee on structures within the Districts' boundaries for which a certificate of occupancy has been issued, excluding any parking garages or real property actually conveyed or dedicated to nonprofit owners' associations, governmental entities, or utility providers. The O&M Fee will be invoiced and payable in advance on an annual basis. For commercial property, the O&M Fee will initially be set as a rate of \$0.01002 per square foot per month. For residential property, the O&M Fee will initially be set at a rate of \$1.12 per residential unit per month. The fee rates will increase on January 1 annually thereafter. The O&M Fee Resolution provides that interest will accrue on O&M Fee at the rate of 18% per annum until paid. If the owner does not make payment on all past due amounts, including interest, within 60 days from the Bill Date (as defined in the O&M Fee Resolution), the District may deliver to the owner a Notice of Intent to File a Lien Statement. If the delinquent balance is not paid within 30 days after the Notice of Intent to File a Lien Statement is served upon the owner by certified mail, the District may perfect the lien against the property by recording the Lien Statement in the office of the Arapahoe County Clerk and Recorder. The lien of any of the Districts may be foreclosed by the applicable District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens. The O&M Fee Resolution was amended in 2014 to increase the O&M Fee to \$0.025 per square foot per month for the commercial property, effective January 1, 2015, and increased 0.50% per year, thereafter.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Joint Operations and Maintenance Fee Resolution (Continued)

The amendment to the O&M Fee Resolution will also allow the O&M Fee to be imposed on property owned by governmental entities. The O&M Fee on 255,299 square feet of commercial property in Phase 1 will be collected by the District, with a portion of the O&M Fee (\$0.015 per square foot per month) being transferred by the District to District No. 3 to support operation and maintenance of the Phase 2 Infrastructure. The remaining \$0.01 per square foot per month of the O&M Fee imposed on Phase 1 commercial property will remain with the District to support operation and maintenance of Phase 1 infrastructure.

Operations and Maintenance Fee Payment Agreement

On August 21, 2014, the District entered into the Agreement regarding payment of Operations and Maintenance Fee with District Nos. 2 and 3 (collectively the Districts) and the Aurora Urban Renewal Authority (AURA) (O&M Fee Agreement). Under the O&M Fee Agreement, AURA acknowledges the Districts' adoption of the O&M Fee Resolution, pursuant to which the Districts are authorized to impose a monthly O&M Fee on property within the Districts' boundaries for the payment of operations and maintenance costs related to certain public improvements. Pursuant to the O&M Fee Agreement, AURA consents to payment of the O&M Fee to the Districts from its Available Revenues (as defined in that certain Public Finance and Redevelopment Agreement, dated July 8, 2013 (2013 PFRA)). Likewise, the Districts acknowledge their intent to apply all, or a portion, of the Available Revenues allocated to each by AURA to the payment of operations and maintenance-related expenditures and agree that the rate of the O&M payable by AURA will not be increased without AURA's prior written consent. The O&M Fee is currently imposed at a rate of \$0.026 per commercial square foot per month, and \$1.22 per residential unit per month.

Public Finance and Redevelopment Agreement

On July 28, 2008, the Districts, the General Developer and AURA entered into the Public Finance and Redevelopment Agreement (2008 PFRA), pursuant to which the parties set forth their respective obligations regarding, among other things, the redevelopment of the Districts' service area and the financing of public infrastructure necessary for such redevelopment. Under the 2008 PFRA, AURA is obligated to pay certain of its tax increment revenues derived from the following sources to any of the Districts that issue bonds: ad valorem property tax, sales tax, lodger's tax, use tax, and any interest earned on such tax revenues (Pledged Revenues). AURA further agrees to irrevocably pledge such Pledged Revenues (net of any Pledged Revenues generated from the Districts' Operations Mill Levies or the Districts' ARI Mill Levies) to the payment of bonds issued by any of the Districts to the extent such amounts are pledged under any applicable bond documents. The total principal amount of the funding obligation under terms of the 2008 PFRA is \$42,000,000 plus interest at 7% compounded annually on February 1st. On August 21, 2014, the Districts, AURA and Corporex Colorado, LLC (as successor-in-interest to the General Developer) entered into the First Amendment to the Public Finance and Redevelopment Agreement (Amended 2008 PFRA).

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Public Finance and Redevelopment Agreement (Continued)

The Amended 2008 PFRA acknowledges the exclusion of a certain portion of property from the redevelopment area described in the 2008 PFRA (Excluded Area), and establishes that only the Pledged Revenues generated from within the remaining property (Phase I Parcel) may be used to pay the Districts' financial obligations incurred to finance or refinance development to benefit the Phase I Parcel. Likewise, revenues generated from or attributable to the Excluded Area may be used to pay the Districts' financial obligations incurred to finance or refinance development to benefit the Excluded Area.

Project Funding Agreement

On November 1, 2021, the District and District No. 3 entered into the Project Funding Agreement in furtherance of the purpose, intent and provisions of the FFCO Agreement, and intend for this agreement to be a Capital Pledge Agreement as such term is defined in the FFCO Agreement. Under the Project Funding Agreement, the District shall be primarily responsible for facilitating, overseeing, and completed the Project. The Project shall include planning, design and construction, including soft costs, of the following public improvements:

- (i) An eight-level structured parking facility with approximately 660 parking spaces to be located within the boundaries of District No. 2 (the Parking Garage).
- (ii) An approximately 2.3 acre public park and community area located within the boundaries of District No. 3 (Promenade Park).
- (iii) Various internal street, street safety, wayfinding signage, stormwater drainage, water, and sanitary sewer improvements and related appurtenances located throughout the Fitzsimons Village community necessary to allow and support development within the District, District No. 2 and District No. 3 (Other Improvements).
- (iv) The Project shall also include any public improvements funded under the Advance and Reimbursement Agreements, including the planning, design and/or construction thereof.

District No. 3 agrees to contribute funding toward actual costs incurred by the District to complete the Project, including, but not limited to, costs associated with the planning, design and construction of the Project. District No. 3 also agrees to contribute funds to the District for the express limited purpose of funding the Project costs, provided District No. 3 Contribution shall not exceed actual proceeds available to District No. 3 for such purpose from the 2021 Bonds.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Owner and Builder Construction Project Agreement

On July 5, 2022, the District (Owner) and Corporex Development & Construction Management, LLC (Builder) entered into the Owner and Builder Construction Project Agreement specifically related to the Structured Parking Garage (the "Project"). The Owner and Builder agree to the following terms and conditions, among other things: i) the Builder shall perform all the work required by the Contract Documents for the planning, design, marketing, management, development and construction of the Owner's proposed facility, ii) the Builder shall include all supervision, administration, accounting, etc. necessary to manage the Project, iii) the Builder is responsible for all Code and Zoning requirements enforced by the governing jurisdiction including but not limited to fire pumps, radio amplifications system, etc., and iv) the Builder is required to provide all temporary construction systems, such as temporary heat during winter conditions, etc., as are reasonable necessary to deliver the Project as scheduled.

Any of the work may be performed under subcontract at the Builder's option. The Builder shall submit an Application for Payment on the fifth of each month including a Schedule of Values along with the appropriate indication of percentage of completion with attached affidavit stating subcontractors and material suppliers entitled to payment for that draw period. Within 10 days after receipt of the monthly Application for Payment the Owner shall pay a progress payment of 90% of the Application for Payment amount, and 10% shall be held as retainage.

The Builder shall notify the Owner when it considers the Project substantially complete. Within fourteen days from the receipt of such notice, the Owner shall make such investigations as it deems necessary to determine if it considers the Project substantially complete and shall notify the Builder in writing of any deficiencies which, in the Owner's opinion, exist and causes the Project not be substantially complete.

NOTE 8 RELATED PARTY

Development of the Project Area has been undertaken (through multiple affiliates) by Corporex Colorado, LLC, a Colorado limited liability company (the Developer) since its acquisition of such property (through affiliates) in 2010. The Developer is wholly owned by Corporex Companies, LLC, a Kentucky limited liability company, and the Developer is managed by Corporex Realty & Investment, LLC, a Kentucky limited liability company, which is also wholly owned by Corporex Companies, LLC (Corporex), and may have conflicts of interest in dealing with the District (see Notes 5 and 7).

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

On May 2, 2006, the District voters passed an election question allowing the District to increase property taxes up to \$5,000,000 annually, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

The District's management has taken steps it believes are necessary to comply 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.

SUPPLEMENTARY INFORMATION

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND – 2021 BONDS (ISSUED BY DISTRICT NO. 3)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
AURA Funding - Lodging Tax	\$ 294,000	\$ 209,897	\$ 209,897	\$ -
AURA Funding - Sales Tax	78,000	63,693	63,693	-
AURA Funding - Property Tax	380,000	628,982	628,982	-
Public Improvement Fees - Debt Service	10,000	33,817	33,817	-
Total Revenues	762,000	936,389	936,389	-
EXPENDITURES				
Transfer to Fitzsimons Village No. 3 - AURA Funding	752,000	902,572	902,572	-
Transfer to Fitzsimons Village No. 3 - PIF	10,000	33,817	33,817	-
Total Expenditures	762,000	936,389	936,389	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND – 2020 A&B BONDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 25,438	\$ 25,457	\$ 19
Property Taxes - TIF	67,048	69,063	2,015
Specific Ownership Taxes	1,781	15,797	14,016
Interest Income	200	11,378	11,178
Transfer from Fitzsimons Village No. 3 - PIF	210,000	280,195	70,195
Total Revenues	<u>304,467</u>	<u>401,890</u>	<u>97,423</u>
EXPENDITURES			
Bond Interest - Senior Bonds	312,750	312,750	-
Bond Principal - 2020A Bonds	15,000	15,000	-
Contingency	2,868	-	2,868
County Treasurer's Fee	382	383	(1)
Paying Agent Fees	7,000	7,000	-
Total Expenditures	<u>338,000</u>	<u>335,133</u>	<u>2,867</u>
NET CHANGE IN FUND BALANCE	(33,533)	66,757	100,290
Fund Balance - Beginning of Year	<u>579,984</u>	<u>578,222</u>	<u>(1,762)</u>
FUND BALANCE - END OF YEAR	<u>\$ 546,451</u>	<u>\$ 644,979</u>	<u>\$ 98,528</u>

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Transfer from Fitzsimons Village No. 3 - Dev Adv Pmt	17,000,000	1,641,163	\$ (15,358,837)
Total Revenues	<u>17,000,000</u>	<u>1,641,163</u>	<u>(15,358,837)</u>
EXPENDITURES			
Engineering	-	19,635	(19,635)
Legal	-	4,926	(4,926)
Other Improvements	310,000	-	310,000
Public Infrastructure	16,690,000	1,701,558	14,988,442
Total Expenditures	<u>17,000,000</u>	<u>1,726,119</u>	<u>15,273,881</u>
NET CHANGE IN FUND BALANCE	-	(84,956)	(84,956)
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (84,956)</u>	<u>\$ (84,956)</u>

OTHER INFORMATION

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022

\$6,265,000 Limited Tax General Obligation and Special
Revenue Refunding Bonds, Series 2020A
Dated March 11, 2020
Principal due December 1
Interest Rate 5.00% Payable
June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 20,000	\$ 312,000	\$ 332,000
2024	25,000	311,000	336,000
2025	25,000	309,750	334,750
2026	30,000	308,500	338,500
2027	35,000	307,000	342,000
2028	45,000	305,250	350,250
2029	45,000	303,000	348,000
2030	55,000	300,750	355,750
2031	60,000	298,000	358,000
2032	65,000	295,000	360,000
2033	75,000	291,750	366,750
2034	80,000	288,000	368,000
2035	90,000	284,000	374,000
2036	95,000	279,500	374,500
2037	105,000	274,750	379,750
2038	115,000	269,500	384,500
2039	125,000	263,750	388,750
2040	340,000	257,500	597,500
2041	360,000	240,500	600,500
2042	385,000	222,500	607,500
2043	410,000	203,250	613,250
2044	440,000	182,750	622,750
2045	465,000	160,750	625,750
2046	495,000	137,500	632,500
2047	525,000	112,750	637,750
2048	560,000	86,500	646,500
2049	1,170,000	58,500	1,228,500
Total	<u>\$ 6,240,000</u>	<u>\$ 6,664,000</u>	<u>\$ 12,904,000</u>

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022

Year Ended December 31,	Prior Year Net Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
			Levied	Collected	
2018	\$ 642,351	51.000	\$ 32,760	\$ 32,760	100.00 %
2019	635,703	51.000	32,421	32,421	100.00
2020	679,116	51.000	34,635	34,635	100.00
2021	664,538	51.000	33,892	33,908	100.05
2022	508,773	61.000	31,035	31,057	100.07
Estimated for the Year Ending December 31, 2023	\$ 493,525	61.000	\$ 30,105		

**FITZSIMONS VILLAGE
METROPOLITAN DISTRICT NO. 3
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2022**

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
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YEAR ENDED DECEMBER 31, 2022**

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INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Cash and Investments	\$ 8,388
Cash and Investments - Restricted	20,894,571
Accounts Receivable	32,923
Prepaid Expense	450
Receivable - County Treasurer	406
Due from Fitzsimons Village No. 2	2,245
Property Tax Receivable	84,603
Capital Assets, Net of Accumulated Depreciation	2,587,028
Total Assets	23,610,614
LIABILITIES	
Accounts Payable	33,972
Due to ARTA	6,272
Due to Fitzsimons Village No. 1	233,498
Accrued Interest Payable	184,854
Noncurrent Liabilities:	
Due in More Than One Year	47,960,023
Total Liabilities	48,418,619
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Taxes	84,603
Total Deferred Inflows of Resources	84,603
NET POSITION	
Net Investment in Capital Assets	2,587,028
Restricted for:	
Emergency Reserves	2,200
Unrestricted	(27,481,836)
Total Net Position	\$ (24,892,608)

See accompanying Notes to Basic Financial Statements.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 222,974	\$ 998,993	\$ 4,501	\$ -	\$ 780,520
Interest and Related Costs on Long-Term Debt	4,227,334	-	-	182,709	(4,044,625)
Total Governmental Activities	\$ 4,450,308	\$ 998,993	\$ 4,501	\$ 182,709	(3,264,105)
GENERAL REVENUES					
Property Taxes					82,735
Specific Ownership Taxes					5,499
Public Improvement Fees					280,185
Net Investment Income					338,043
Total General Revenues					706,462
CHANGE IN NET POSITION					(2,557,643)
Net Position - Beginning of Year					(22,334,965)
NET POSITION - END OF YEAR					\$ (24,892,608)

See accompanying Notes to Basic Financial Statements.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 8,388	\$ -	\$ -	\$ -	\$ 8,388
Cash and Investments - Restricted	2,200	20,624	4,998,649	15,873,098	20,894,571
Prepaid Expense	450	-	-	-	450
Accounts Receivable	-	-	32,923	-	32,923
Receivable - County Treasurer	97	-	309	-	406
Due from Fitzsimons Village No. 1	43,848	-	2,225	-	46,073
Due from Fitzsimons Village No. 2	-	-	2,245	-	2,245
Property Tax Receivable	20,231	-	64,372	-	84,603
Total Assets	\$ 75,214	\$ 20,624	\$ 5,100,723	\$ 15,873,098	\$ 21,069,659
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 17,541	\$ 12,431	4,000	\$ -	\$ 33,972
Due to ARTA	6,272	-	-	-	6,272
Due to Fitzsimons Village No. 1	-	-	37,528	242,043	279,571
Total Liabilities	23,813	12,431	41,528	242,043	319,815
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	20,231	-	64,372	-	84,603
Total Deferred Inflows of Resources	20,231	-	64,372	-	84,603
FUND BALANCES					
Nonspendable:					
Prepaid Expense	450	-	-	-	450
Restricted for:					
Emergency Reserve	2,200	-	-	-	2,200
Debt Service	-	-	4,994,823	-	4,994,823
Capital Projects	-	-	-	15,631,055	15,631,055
Unassigned	28,520	8,193	-	-	36,713
Total Fund Balances	31,170	8,193	4,994,823	15,631,055	20,665,241
Total Liabilities and Fund Balances	\$ 75,214	\$ 20,624	\$ 5,100,723	\$ 15,873,098	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

 Capital Assets, Net of Accumulated Depreciation

2,587,028

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.

 Bonds Payable

(47,807,491)

 Developer Advance Payable

(124,403)

 Accrued Interest Payable

(184,854)

 Accrued Interest Payable - Developer Advances

(28,129)

Net Position of Governmental Activities

\$ (24,892,608)

See accompanying Notes to Basic Financial Statements.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	\$ 17,986	\$ -	\$ 62,950	\$ -	\$ 80,936
Property Taxes - ARI	1,799	-	-	-	1,799
Specific Ownership Taxes	1,315	-	4,184	-	5,499
Net Investment Income	159	-	89,158	248,726	338,043
Operations and Maintenance Fee Pledge	-	62,604	-	-	62,604
Public Improvement Fees	-	-	280,185	-	280,185
Transfer from AURA - ARI Property Taxes	4,501	-	-	-	4,501
Transfer from AURA - TIF Property Taxes	44,788	-	69,063	-	113,851
Transfer from Fitzsimons Village No. 1 - AURA Funding	-	-	902,572	-	902,572
Transfer from Fitzsimons Village No. 1 - PIF	-	-	33,817	-	33,817
Transfer from Fitzsimons Village No. 2 - Taxes	-	-	68,858	-	68,858
Total Revenues	<u>70,548</u>	<u>62,604</u>	<u>1,510,787</u>	<u>248,726</u>	<u>1,892,665</u>
EXPENDITURES					
General:					
Accounting	36,750	-	-	-	36,750
Audit	3,250	-	-	-	3,250
County Treasurer's Fee	299	-	-	-	299
District Management	1,100	-	-	-	1,100
District Management - Unbudgeted	1,607	-	-	-	1,607
Dues and Membership	428	-	-	-	428
Election	344	-	-	-	344
Insurance	3,681	-	-	-	3,681
Legal	8,657	-	-	-	8,657
Miscellaneous/Contingency	872	-	-	-	872
Payment to ARTA - ARI Property Taxes	4,501	-	-	-	4,501
Landscape Maintenance	-	11,429	-	-	11,429
Snow Removal	-	38,406	-	-	38,406
ARI Payment	1,771	-	-	-	1,771
Debt Service:					
Bond Interest - 2021 Bonds	-	-	2,051,881	-	2,051,881
County Treasurer's Fees	-	-	952	-	952
Paying Agent Fees	-	-	4,000	-	4,000
Transfers to Fitzsimons Village No. 1 - PIF	-	-	280,185	-	280,185
Transfers to Fitzsimons Village No. 1 - TIF Prop Tax	-	-	69,063	-	69,063
Capital Projects:					
Transfers to Fitzsimons Village No. 1	-	-	-	1,641,163	1,641,163
Total Expenditures	<u>63,260</u>	<u>49,835</u>	<u>2,406,081</u>	<u>1,641,163</u>	<u>4,160,339</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,288	12,769	(895,294)	(1,392,437)	(2,267,674)
OTHER FINANCING SOURCES (USES)					
Developer Advances	50,000	-	-	-	50,000
Transfers from Other Funds	-	-	-	23,492	23,492
Transfers to Other Funds	-	-	(23,492)	-	(23,492)
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>-</u>	<u>(23,492)</u>	<u>23,492</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCES	57,288	12,769	(918,786)	(1,368,945)	(2,217,674)
Fund Balances - Beginning of Year	(26,118)	(4,576)	5,913,609	17,000,000	22,882,915
FUND BALANCES - END OF YEAR	<u>\$ 31,170</u>	<u>\$ 8,193</u>	<u>\$ 4,994,823</u>	<u>\$ 15,631,055</u>	<u>\$ 20,665,241</u>

See accompanying Notes to Basic Financial Statements.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances - Governmental Funds \$ (2,217,674)

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

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

Depreciation (108,927)

Long-term debt (e.g., bonds, developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Developer Advance (50,000)

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

Accrued Interest on Developer Advance - Change in Liability (5,908)

Accrued Interest on Bonds - Change in Liability (166,913)

Amortization of Bond Discount (9,887)

Amortization of Bond Premium 1,666

Change in Net Position of Governmental Activities \$ (2,557,643)

See accompanying Notes to Basic Financial Statements.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
SPECIAL REVENUE FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 17,986	\$ 17,986	\$ -
Property Taxes - ARI	1,798	1,799	1
Specific Ownership Taxes	1,458	1,315	(143)
Transfer from AURA - ARI Property Taxes	4,639	4,501	(138)
Transfer from AURA - TIF Property Taxes	-	44,788	44,788
Net Investment Income	-	159	159
Total Revenues	<u>25,881</u>	<u>70,548</u>	<u>44,667</u>
EXPENDITURES			
Accounting	36,750	36,750	-
Audit	3,400	3,250	150
County Treasurer's Fee	297	299	(2)
District Management	1,100	1,100	-
District Management - Unbudgeted	-	1,607	(1,607)
Dues and Membership	450	428	22
Insurance	3,800	3,681	119
Election	2,000	344	1,656
Legal	6,000	8,657	(2,657)
Miscellaneous/Contingency	4,292	872	3,420
Payment to ARTA - ARI Property Taxes	4,639	4,501	138
ARI Payment	1,772	1,771	1
PIF Collection	500	-	500
Total Expenditures	<u>65,000</u>	<u>63,260</u>	<u>1,740</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(39,119)	7,288	46,407
OTHER FINANCING SOURCES (USES)			
Developer Advances	98,015	50,000	(48,015)
Transfers to Other Funds	(58,896)	-	58,896
Total Other Financing Sources (Uses)	<u>39,119</u>	<u>50,000</u>	<u>10,881</u>
NET CHANGE IN FUND BALANCE	-	57,288	57,288
Fund Balance - Beginning of Year	<u>500</u>	<u>(26,118)</u>	<u>(26,618)</u>
FUND BALANCE - END OF YEAR	<u>\$ 500</u>	<u>\$ 31,170</u>	<u>\$ 30,670</u>

See accompanying Notes to Basic Financial Statements.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
SPECIAL REVENUE FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Operations and Maintenance Fee Pledge	\$ 62,604	\$ 62,604	\$ -
Total Revenues	<u>62,604</u>	<u>62,604</u>	<u>-</u>
EXPENDITURES			
Repairs and Maintenance	40,000	-	40,000
Landscaping Maintenance	16,500	11,429	5,071
Snow Removal	65,000	38,406	26,594
Total Expenditures	<u>121,500</u>	<u>49,835</u>	<u>71,665</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(58,896)	12,769	71,665
OTHER FINANCING SOURCES (USES)			
Transfer from Other Funds	58,896	-	(58,896)
Total Other Financing Sources (Uses)	<u>58,896</u>	<u>-</u>	<u>(58,896)</u>
NET CHANGE IN FUND BALANCE	-	12,769	12,769
Fund Balance - Beginning of Year	<u>-</u>	<u>(4,576)</u>	<u>(4,576)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 8,193</u>	<u>\$ 8,193</u>

See accompanying Notes to Basic Financial Statements.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Fitzsimons Village Metropolitan District No. 3 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized in July 2006 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located within the city of Aurora (the City), Arapahoe County, Colorado. The District was organized for the purpose of financing and providing public improvements and related operations and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sewer, transportation and mosquito control. When appropriate, these improvements will be dedicated to the City, Arapahoe County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District was organized in conjunction with two other related districts, Fitzsimons Village Metropolitan District No. 1 and No. 2.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which are normally supported by taxes and intergovernmental revenues.

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

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct 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 as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are intergovernmental revenues, operation and maintenance fees, and public improvement fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Special Revenue Fund accounts for resources accumulated to be used for payment of certain operation and maintenance expenses.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on the Series 2021 Bonds issued by the District and the Series 2020A&B Bonds issued by District No. 1.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Capital Projects Fund accounts for resources to be used for the acquisition and construction of capital infrastructure.

Budgets

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 appropriation is at the total fund expenditures and financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Streets	30 Years
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**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

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

Amortization

Original Issue Premium/Discount

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Fund Balance (Continued)

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Unrestricted	\$ 8,388
Cash and Investments - Restricted	<u>20,894,571</u>
Total Cash and Investments	<u><u>\$ 20,902,959</u></u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 46,545
Investments	<u>20,856,414</u>
Total Cash and Investments	<u><u>\$ 20,902,959</u></u>

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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

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

At December 31, 2022, the District cash deposits had a bank balance and carrying balance of \$46,545.

Investments

The District has adopted a policy authorizing investments in accordance with state statutes.

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

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

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

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

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2022, the District had the following investments:

<u>Investments</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average under 60 Days	<u>\$ 20,856,414</u>

COLOTRUST

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

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

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

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

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
Capital Assets, Being Depreciated:				
Streets	\$ 3,267,823	\$ -	\$ -	\$ 3,267,823
Total Capital Assets, Being Depreciated	3,267,823	-	-	3,267,823
Less Accumulated Depreciation for:				
Streets	(571,868)	(108,927)	-	(680,795)
Total Accumulated Depreciation	(571,868)	(108,927)	-	(680,795)
Capital Assets, Net	2,695,955	(108,927)	-	2,587,028
Governmental Activities Capital Assets, Net	\$ 2,695,955	\$ (108,927)	\$ -	\$ 2,587,028

Depreciation costs of the assets owned by the District, totaling \$108,927, was charged to general government function of the District for the year ended December 31, 2022.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022	Due Within One Year
Limited Tax General Obligation Special Revenue Refunding and Improvement Bonds Series 2021A-1	\$ 40,040,000	\$ -	\$ -	\$ 40,040,000	\$ -
Taxable Parking/Limited General Obligation and Special Revenue Bonds Series 2021A-2	7,875,000	-	-	7,875,000	-
Bond Premium - Series 2021A-1	41,770	-	1,666	40,104	-
Bond Discount - Series 2021A-2	(157,500)	-	(9,887)	(147,613)	-
Subtotal Bonds Payable	47,799,270	-	(8,221)	47,807,491	-
Developer Advance Payable	74,403	50,000	-	124,403	-
Accrued Interest on Developer Advance	22,221	5,908	-	28,129	-
Subtotal Developer Advances	96,624	55,908	-	152,532	-
Total Long-Term Obligations	\$ 47,895,894	\$ 55,908	\$ (8,221)	\$ 47,960,023	\$ -

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 (the "2021A-1 Bonds") and Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2 (the "2021A-2 Taxable Bonds" and, together with the 2021A-1 Bonds, the "Bonds")

The District issued the Bonds on December 28, 2021, in the par amounts of \$40,040,000 for the 2021A-1 Bonds and \$7,875,000 for the 2021A-2 Taxable Bonds.

Use of Proceeds

Proceeds from the sale of the 2021A-1 Bonds were used for the purposes of:

- (a) currently refunding District No. 1's Tax Increment/Public Improvement Fee Supported Junior Revenue Bonds, Series 2010B (the "2010B Bonds") and District No. 1's Refunding Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2020 (the "2020 Bonds" and, together with the 2010B Bonds, the "Refunded Bonds");
- (b) financing public improvements, including a portion of the costs of a parking structure;
- (c) funding a portion of interest to accrue on the Series 2021A-1 Bonds;
- (d) funding the Reserve Fund; and
- (e) paying costs incurred in connection with the issuance of the 2021A-1 Bonds and the refunding of the Refunded Bonds.

Proceeds from the sale of the 2021A-2 Taxable Bonds were used for the purposes of:

- (a) financing public improvements, including a portion of the costs of a parking structure;
- (b) funding a portion of interest to accrue on the 2021A-2 Taxable Bonds;
- (c) funding the Taxable Reserve Fund; and
- (d) paying costs incurred in connection with the issuance of the 2021A-2 Taxable Bonds.

Bond Details

The 2021A-1 Bonds and the 2021A-2 Taxable Bonds bear interest at rates ranging from 4.00% to 4.25%, and 7.00%, respectively, payable semiannually on June 1 and December 1, beginning on June 1, 2022, to the extent of available 2021A-1 Pledged Revenue with respect to the 2021A-1 Bonds and 2021A-2 Pledged Revenue with respect to the 2021A-2 Taxable Bonds.

Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2025 for the 2021A-1 Bonds and the 2021A-2 Taxable Bonds. The last maturity of the 2021A-1 Bonds is on December 1, 2055 and the 2021A-2 Taxable Bonds mature on December 1, 2041.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 (the “2021A-1 Bonds”) and Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2 (the “2021A-2 Taxable Bonds”) and, together with the 2021A-1 Bonds, the “Bonds”) (Continued)

Bond Details (Continued)

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid and is to continue to bear interest at the rate then borne by the Bond. To the extent interest on the Bonds is not paid when due, such interest shall compound on each each June 1 and December 1, at the rate then borne by the Bonds.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable solely from the revenues pledged in accordance with the applicable Indenture. Both the 2021A-1 Pledged Revenue and the 2021A-2 Pledged Revenue include the Shared Pledged Revenue.

A portion of the 2021A-1 Pledged Revenue and the 2021A-2 Pledged Revenue consist of revenues of District No. 1 and District No. 2, which are pledged by such Districts to the District in accordance with Capital Pledge Agreements.

2021A-1 Pledged Revenue

The 2021A-1 Pledged Revenue (securing payment of the Series 2021A-1 Bonds) additionally includes the District No. 3 PIF Revenues, the District No. 2 Capital Fees and the District No. 3 Capital Fees.

2021A-2 Pledged Revenue

The 2021A-2 Pledged Revenue (securing payment of the Series 2021A-2 Taxable Bonds) additionally includes the Parking Fees of District No. 1, and the District No. 2 PIF Revenues.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 (the “2021A-1 Bonds”) and Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2 (the “2021A-2 Taxable Bonds”) and, together with the 2021A-1 Bonds, the “Bonds”) (Continued)

Pledged Revenue (Continued)

Shared Pledged Revenue

The Shared Pledged Revenue includes the District No. 1 Shared Pledged Revenue and the District Nos. 2 and 3 Shared Pledged Revenue. Generally, Shared Pledged Revenue is anticipated to be applied to the payment of the Series 2021A-2 Taxable Bonds only in the event that Parking Fees and District No. 2 PIF Revenues on deposit with the Trustee as of May 15 and November 15 are not anticipated to be sufficient to pay debt service on the Series 2021A-2 Taxable Bonds when due on the succeeding June 1 and December 1, respectively.

District No. 1 Shared Pledged Revenue

District No. 1 Shared Pledged Revenue means the moneys derived by District No. 1 from the following sources:

- (a) 2008 PFRA Revenue;
- (b) Use Restrictions Revenue;
- (c) TCHA Payments; and
- (d) any other legally available moneys which District No. 1 determines, in its absolute discretion, to transfer to the Custodian for application pursuant to the terms of the Custodial Agreement.

District Nos. 2 and 3 Shared Pledged Revenue

District Nos. 2 and 3 Shared Pledged Revenue means the moneys derived by District No. 2 or the District from the following sources:

- (a) the Property Tax Revenues;
- (b) the Specific Ownership Tax Revenues; and
- (c) any other legally available moneys which District No. 2 or the District determines, in its absolute discretion, to transfer to the Custodian for application pursuant to the terms of the Custodial Agreement.

2008 PFRA Revenue

2008 PFRA Revenue consists of the amounts constituting “Pledged Revenues” under the 2008 Public Finance Agreement generated from or attributable to the property within the boundaries of District No. 2, and payable by AURA to District No. 1, but net of any such Pledged Revenues generated from any operations mill levy imposed by District No. 2 and any ARI Mill Levy imposed by District No. 2.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 (the “2021A-1 Bonds”) and Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2 (the “2021A-2 Taxable Bonds”) and, together with the 2021A-1 Bonds, the “Bonds”) (Continued)

Pledged Revenue (Continued)

2008 PFRA Revenue (Continued)

The obligation of AURA to remit such revenues expires at the end of the Pledged TIF Revenue Term, meaning the earlier of (a) payment in full of the Funding Obligation (which is not to exceed \$42,000,000, plus accrued interest thereon), or (b) January 31, 2027. The 2008 PFRA Revenue generally consists of the following:

- (a) 100% of the incremental property tax revenues received by AURA from the levy of ad valorem property taxes by all public bodies (including District No. 2) on property within District No. 2;
- (b) 80% of the incremental sales tax revenues (i.e., sales tax revenues in excess of a stated base amount) collected from property in District No. 2 from imposition of the City Sales Tax at the rate of 3.50%;
- (c) 100% of the incremental lodging tax revenues (i.e., lodging tax revenues in excess of a stated base amount) collected from property in District No. 2 from imposition of the City Lodging Tax at the rate of 8.0%, but less the AURA share of incremental District No. 2 lodger’s tax revenue (which AURA share is equal to 20% of the total lodger’s tax revenue produced in District No. 2 multiplied by 8% less the proportionate share of the District No. 2 lodger’s tax base); and
- (d) 100% of the incremental use tax revenues (i.e., use tax revenues in excess of a stated base amount) collected from property in District No. 2 from imposition of the City Use Tax at the rate of 3.50%.

Use Restrictions Revenue (PILOT)

Use Restrictions Revenue generally includes payments in lieu of ad valorem property taxes and use taxes payable by entities which are exempt from property taxation to District No. 1 pursuant to the Use Restrictions Covenant in amounts relating to ad valorem property taxes collected from property located within the boundaries of District No. 2 and the District from the imposition of ad valorem property taxes by District No. 2 and the District and, prior to the expiration of the Pledged TIF Revenue Term, all other public bodies, and also use taxes that would otherwise be payable to District No. 1 in accordance with the 2008 Public Finance Agreement. However, there is excluded from the Use Restrictions Revenue pledged to the Bonds any such amounts relating to operations mill levies imposed by District No. 2 or the District.

TCHA Payments

TCHA Payments are payments in lieu of certain ad valorem property taxes and use taxes payable to District No. 1 by Children’s Hospital with respect to a portion (but not all) of its property located in District No. 2.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 (the “2021A-1 Bonds”) and Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2 (the “2021A-2 Taxable Bonds”) and, together with the 2021A-1 Bonds, the “Bonds”) (Continued)

Pledged Revenue (Continued)

Property Tax Revenues

Property Tax Revenues means all moneys derived from imposition by District No. 2 and the District of the Required Mill Levy, net of the costs of collection of the City and/or County and net of any tax refunds or abatements authorized by or on behalf of the City and/or County.

Required Mill Levy

District No. 2 and the District have covenanted to levy the Required Mill Levy generally meaning an ad valorem mill levy imposed upon all taxable property of District No. 2 and the District each year in an amount which would generate Property Tax Revenues (including any payments in lieu of taxes relating to such Property Tax Revenues) in the succeeding calendar year equal to the sum of (a) with respect to the Series 2021A-1 Bonds an amount equal to the Annual Tax-Exempt Financing Costs, plus (b) with respect to the Series 2021A-2 Taxable Bonds, an amount equal to the Annual Net Taxable Financing Costs, but (i) not in excess of 50.000 mills (subject to adjustment), and (ii) for so long as the Tax-Exempt Surplus Fund and the Taxable Surplus Fund are required to be maintained and are not fully funded to the Tax-Exempt Maximum Surplus Amount or Taxable Maximum Surplus Amount, respectively, the Required Mill Levy is to be not less than 35.000 mills (subject to adjustment).

Mill levies to be imposed for debt service by District No. 2 and the District are subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2022, at which time the residential assessment rate was 7.15%. Such mill levies may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Boards in good faith so that to the extent possible, the actual tax revenues generated by such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes. The minimum and maximum mill levies at December 31, 2021 for collection in 2022 were 35.000 and 50.000 mills, respectively.

A portion of Property Tax Revenues resulting from imposition of the Required Mill Levy by District No. 2 and the District will, for a period of time, constitute tax increment revenues initially payable to AURA in accordance with the Urban Renewal Law. AURA has agreed to remit such incremental property tax revenues to District No. 1 or the District in accordance with the 2008 Public Finance Agreement.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 (the “2021A-1 Bonds”) and Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2 (the “2021A-2 Taxable Bonds”) and, together with the 2021A-1 Bonds, the “Bonds”) (Continued)

Additional Security for the 2021A-1 Bonds

District No. 3 PIF Revenues

District No. 3 PIF Revenues are generated from the imposition of the District No. 3 Sales PIF on the sales price of PIF Sales within the boundaries of the District. The District No. 3 Sales PIF is imposed at a rate of 1.5% of the sales price. Commencing in calendar year 2022, there is to be annually withheld from such District No. 3 PIF Revenues \$25,000 for collection costs and \$50,000 for operations and maintenance costs of the District, in both cases subject to increase one percent (1%) annually, beginning in 2023.

Capital Fees of District No. 2 and District No. 3

District No. 2 Capital Fees and District No. 3 Capital Fees include the District No. 2 Facilities Fees and the District No. 3 Facilities Fees, respectively. The District No. 2 Capital Fees imposed by District No. 2 consist of a one-time facilities fee on commercial property located within the boundaries of District No. 2 in the amount of \$1.00 per gross square foot, and a one-time facilities fee for any residential building consisting of one self-contained living unit, whether attached or detached in the amount of \$1,500 per residential unit. The District No. 3 Capital Fees imposed by the District consist of a one-time facilities fee on commercial property located within the boundaries of the District in the amount of \$1.00 per gross square foot.

Reserve Fund

The 2021A-1 Bonds are also secured by amounts on deposit in the Reserve Fund which was to be funded from proceeds of the 2021A-1 Bonds in the amount of \$2,899,798.

Surplus Fund

Available 2021A-1 Pledged Revenue, if any, is to be accumulated in the Surplus Fund up to the Maximum Surplus Amount of \$4,004,000. The Surplus Fund will not be funded with 2021A-1 Bond proceeds. The Surplus Fund is to be maintained until the earlier of the final maturity date or redemption in full of the 2021A-1 Bonds, at which time the Surplus Fund is to be terminated and any moneys therein remitted to the District for application to any lawful purpose of the District.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 (the “2021A-1 Bonds”) and Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2 (the “2021A-2 Taxable Bonds”) and, together with the 2021A-1 Bonds, the “Bonds”) (Continued)

Additional Security for the 2021A-2 Taxable Bonds

District No. 2 PIF Revenues

District No. 2 PIF Revenues result from the imposition of the District No. 2 Sales PIF and the District No. 2 Lodging PIF on the sales price of PIF Sales within the boundaries of District No. 2. The District No. 2 Sales PIF is imposed at a rate of 1.5% of the sales price. The District No. 2 Lodging PIF is imposed at a rate of 2.75% of the sales price. Beginning in calendar year 2022, there is to be annually withheld or otherwise paid from such District No. 2 PIF Revenues \$52,552 for collection costs and \$104,754 for operations and maintenance costs of District No. 1, in both cases subject to increase one percent (1%) annually, beginning in 2023.

Parking Fees

Parking Fees mean all the amounts charged and collected for any parking activity at the District No. 1 Parking Facility, including any such amounts charged and collected (i) directly by District No. 1 or (ii) the Developer or another third party pursuant to a Parking Facility Operating Agreement. The District No. 1 Parking Fees constitute a portion of the revenue pledged by District No. 1 to the District in accordance with the District No. 1 Capital Pledge Agreement. District No. 1 has covenanted to impose Parking Fees that will generate revenue sufficient to fund operation and maintenance of the Parking Facility.

Taxable Reserve Fund

The 2021A-2 Taxable Bonds are also secured by amounts on deposit in the Taxable Reserve Fund which was funded from proceeds of the 2021A-2 Taxable Bonds in the amount of \$787,500.

Taxable Surplus Fund

Available 2021A-2 Pledged Revenue, if any, is to be accumulated in the Taxable Surplus Fund up to the Maximum Taxable Surplus Amount of \$787,500. The Surplus Fund will not be funded with 2021A-2 Taxable Bond proceeds. The Taxable Surplus Fund is to be maintained until the earlier of the final maturity date or redemption in full of the 2021A-2 Taxable Bonds, at which time the Taxable Surplus Fund is to be terminated and any moneys therein remitted to the District for application to any lawful purpose of the Issuing District.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 (the “2021A-1 Bonds”) and Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2 (the “2021A-2 Taxable Bonds” and, together with the 2021A-1 Bonds, the “Bonds”) (Continued)

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this Section:

- (a) (i) The District fails or refuses to impose the Required Mill Levy and, during the Pledged Revenue as required by the Indenture, the Pledge Agreement and the Custodial Agreement; (ii) District No. 1 fails or refuses to apply the revenues resulting from the District No. 1 Shared Pledged Revenue as required by the District No. 1 Capital Pledge Agreement and the Custodial Agreement; or (iii) District No. 2 fails or refuses to impose the District No. 2 Required Mill Levy or to apply the revenues resulting from the District No. 2 Shared Pledged Revenue as required by the District No. 2 Capital Pledge Agreement and the Custodial Agreement;
- (b))i) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution; (ii) District No. 1 defaults in the performance or observance of any of the covenants, agreement or conditions on the part of District No. 1 in the District No. 1 Capital Pledge Agreement; or (iii) District No. 2 defaults in the performance or observance of any of the covenants, agreement or conditions on the part of District No. 2 in the District No. 2 Capital Pledge Agreement;
- (c) Failure of the District to enforce or cooperate in the enforcement of any of the Trust Estate Agreements upon a material default thereunder by any party thereto, if such material default could result in impairing or diminishing the collection or amount of the Pledged Revenue; or
- (d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default hereunder.

The Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Bonds.

The Bonds are not subject to early termination and are not subject to acceleration.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds, Series 2021A-1 (the “2021A-1 Bonds”) and Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2 (the “2021A-2 Taxable Bonds”) and, together with the 2021A-1 Bonds, the “Bonds”) (Continued)

The District’s 2021A-1 Bonds and 2021A-2 Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 2,218,250	\$ 2,218,250
2024	-	2,218,250	2,218,250
2025	2,030,000	2,218,250	4,248,250
2026	1,995,000	2,135,100	4,130,100
2027	335,000	2,049,900	2,384,900
2028-2032	4,055,000	9,770,700	13,825,700
2033-2037	5,970,000	8,537,650	14,507,650
2038-2042	8,495,000	6,672,950	15,167,950
2043-2047	6,680,000	4,785,075	11,465,075
2048-2052	8,880,000	3,186,863	12,066,863
2053-2055	9,475,000	938,400	10,413,400
Total	<u>\$ 47,915,000</u>	<u>\$ 44,731,388</u>	<u>\$ 92,646,388</u>

Authorized Debt

On May 2, 2006, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$4,211,840,000. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 2, 2006	Authorization Used for Series 2014A&B Bonds	Authorization Used for Series 2021A-1 Bonds	Authorization Used for Series 2021A-2 Bonds	Authorized But Unissued
Streets	\$ 382,440,000	\$ 4,263,576	\$ 21,786,241	\$ 7,875,000	\$ 348,515,183
Water	382,440,000	831,419	-	-	381,608,581
Sanitation	382,440,000	2,060,005	-	-	380,379,995
Traffic/Safety Protection	382,440,000	-	-	-	382,440,000
Parks and Recreation	382,440,000	-	800,000	-	381,640,000
Television Relay	382,440,000	-	-	-	382,440,000
Public Transportation	382,440,000	-	-	-	382,440,000
Mosquito Control	382,440,000	-	-	-	382,440,000
Fire Protection	382,440,000	-	-	-	382,440,000
Operations and Maintenance	5,000,000	-	-	-	5,000,000
Debt Refunding	382,440,000	-	17,453,759	-	364,986,241
Intergovernmental Contracts	382,440,000	-	-	-	382,440,000
Total	<u>\$ 4,211,840,000</u>	<u>\$ 7,155,000</u>	<u>\$ 40,040,000</u>	<u>\$ 7,875,000</u>	<u>\$ 4,156,770,000</u>

The District’s Service Plan limits total debt issuance to not exceed \$382,440,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District’s services area; however, as of the date of this audit, the amount and timing of any future debt issuances are not determinable.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 INTERFUND TRANSFER

The District transferred \$23,492 from the Debt Service Fund to the Capital Projects Fund in connection with the 2021 Bond issuance.

NOTE 7 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investment in capital assets, as follows:

Capital Assets, Net	<u>\$ 2,587,028</u>
Net Investment in Capital Assets	<u><u>\$ 2,587,028</u></u>

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022, as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserves	<u><u>\$ 2,200</u></u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued, and accrued interest, for the construction of public improvements conveyed to other governments.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS

City IGA

On June 30, 2008, the District, Fitzsimons Village Metropolitan District No. 1 (District No. 1) and Fitzsimons Village Metropolitan District No. 2 (District No. 2) (collectively, the Districts) executed intergovernmental agreements with the City (collectively, the City IGA), pursuant to which the Districts agreed to retain ownership or dedicate public improvements to the City or other appropriate jurisdiction or owners association. The City IGA also reaffirms certain requirements and restrictions set forth in the Service Plan, including District No. 1 and District No. 2's obligation to impose the ARI Mill Levy and convey the revenue from the ARI Mill Levy to the Aurora Regional Transportation Authority for the provision of regional improvements which includes the planning, design, acquisition, construction, installation and redevelopment of street and transportation related improvements.

FFCO Agreement

On April 29, 2010, the Districts entered into the Facilities Funding, Construction and Operations Agreement as amended on August 21, 2014, by a First Amendment to Facilities Funding, Construction and Operations Agreement (as so amended, the FFCO Agreement). The FFCO Agreement establishes certain expectations as to the financing, construction, operation, and maintenance of improvements contemplated in the Service Plan for the purpose of providing, in a timely and coordinated manner, essential services in the community to be served by the Districts. The FFCO Agreement anticipates that the Districts will, from time to time, enter into intergovernmental agreements whereby one or more of the Districts will act as an issuing district and/or an operating district to finance certain public improvements and one or more of the Districts will act as a taxing district to pledge revenues for the financing, operations and maintenance of the public improvements.

Capital Pledge Agreements

On March 11, 2020, District No. 1 (Issuing District), the District (Taxing District) and UMB Bank, n.a. (Trustee) entered into a Capital Pledge Agreement (the 2020 Capital Pledge Agreement) to secure payment of District No. 1's Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A issued by the Issuing District on March 11, 2020, for purposes of (i) currently refunding the Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2014A and the Tax Increment/Public Improvement Fee Supported Subordinate Revenue Bonds, Series 2014B, previously issued by the Issuing District; (ii) funding the Senior Reserve Fund, and (iii) paying costs incurred in connection with the issuance of the Bonds. Pursuant to the 2020 Capital Pledge Agreement, the District has pledged certain property tax revenues received under a certain intergovernmental agreement, PIF revenues and other revenues to District No. 1 for the payment of the Bonds.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS (CONTINUED)

On December 28, 2021, the District, District No. 1, and UMB Bank, n.a. (Trustee) entered into a Capital Pledge Agreement (the Pledge Agreement) to secure payment of the District's Limited Tax General Obligation and Special Revenue Refund and Improvement Bonds, Series 2021A-1, and the District's Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2. Pursuant to the Pledge Agreement, all revenue comprising of District No. 1's Shared Pledged Revenue and District No. 1's Taxable Shared Revenue is pledged to the Series 2021A-1 and Series 2021A-2 Bonds. District No. 1's Shared Pledged Revenue generally consists of (a) the 2008 PFRA Revenue, (b) the Use Restrictions Revenue, (c) the TCHA Payments and (d) any other legally available moneys which District No. 1 determines to transfer to the Custodian for application pursuant to the terms of the Custodial Agreement. District No. 1's Taxable Pledged Revenue generally consists of (a) District No. 2 PIF Revenues less the Collection Fee and less the District Operations and Maintenance Costs, (b) the Parking Fees, and (c) any other legally available moneys which District No. 1 determines to transfer to the Taxable Trustee for credit to the Bond Fund under the Series 2021A-2 Taxable Indenture.

On December 28, 2021, the District, District No. 2, and UMB Bank, n.a. (Trustee) entered into a Capital Pledge Agreement (the Pledge Agreement) to secure payment of the District's Limited Tax General Obligation and Special Revenue Refund and Improvement Bonds, Series 2021A-1, and the District's Taxable Parking/Limited Tax General Obligation and Special Revenue Bonds, Series 2021A-2. Pursuant to the Pledge Agreement, all revenue comprising of District No. 2's Shared Pledged Revenue and District No. 2's Taxable Shared Revenue is pledged to the Series 2021A-1 and Series 2021A-2 Bonds. District No. 2's Shared Pledged Revenue generally consists of (a) the Property Tax Revenues related to District No. 2, (b) the Specific Ownership Tax Revenues related to District No. 2, and (c) any other legally available moneys which District No. 2 determines to transfer to the Custodian for application pursuant to the terms of the Custodial Agreement. District No. 2's Taxable Pledged Revenue generally consists of (a) Capital Fees imposed by District No. 2, and (b) any other legally available moneys which District No. 2 determines to transfer to the Taxable Trustee for credit to the Bond Fund under the Series 2021A-1 Indenture.

Operations Financing IGA

As contemplated in the FFCO Agreement, on August 21, 2014, the District (as Operating District) entered into an Operations Financing IGA (OF IGA) with District Nos. 1 and 2 (as Taxing Districts). Pursuant to the OF IGA, the District will receive pledged revenues from the imposition of the O&M Fee and the Operations Mill Levy, along with certain specific ownership taxes associated with such mill levy, for payment of operation and maintenance costs associated with the District's Improvements (as defined in the OF IGA).

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS (CONTINUED)

O&M Fees

The District and District Nos. 1 and 2 approved a Joint Operations and Maintenance Fee Resolution, as amended and restated (O&M Fee Resolution), to provide funds for the operations and maintenance costs of the public improvements constructed as contemplated in the Service Plans of the Districts. The O&M Fee Resolution imposes a monthly operations and maintenance fee (the O&M Fee) on structures within the Districts' boundaries for which a certificate of occupancy has been issued, excluding any parking garages or real property actually conveyed or dedicated to nonprofit owners' associations, governmental entities or utility providers. The O&M Fee will be invoiced by District No. 1 and payable in advance on an annual basis.

The O&M Fee Resolution was amended in 2014 to increase the O&M Fee to \$0.025 per square foot per month for commercial property effective January 1, 2015 and increased 0.50% per year thereafter. The amendment to the O&M Fee Resolution will also allow the O&M Fee to be imposed on property owned by governmental entities. For the year 2022, the O&M Fee was \$0.026 per square foot per month for commercial property.

Operation Funding Agreement

On August 1, 2014, the District, and CPX Aurora FS Hotel, LLC (Hotel Developer) entered into the Operation Funding Agreement pursuant to which the Developer has agreed to advance funds to the District to cover the shortfall, if any, in the District's General Fund for the payment of administrative, operations and maintenance expenditures. District has agreed to reimburse such advances, together with interest at 8% per annum, subject to annual appropriation and budget approval by the District. As of December 31, 2022, the outstanding advances under this agreement totaled \$42,162 and accrued interest totaled \$20,647.

Reimbursement Agreement

On January 1, 2018, the District, and Corporex Colorado LLC (the Developer) entered into the Reimbursement Agreement (2019-2024 Operations) pursuant to which the Developer has agreed to advance funds to the District to cover the shortfall, if any, in the District's General Fund for the payment of administrative, operations and maintenance expenditures. District has agreed to reimburse such advances, together with interest at 7% per annum, subject to annual appropriation and budget approval by the District. As of December 31, 2022, the outstanding advances under this agreement totaled \$82,241 and accrued interest totaled \$7,481.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS (CONTINUED)

Facilities Acquisition Agreement

As contemplated in the FFCO Agreement, on August 21, 2014, the District entered into a Facilities Acquisition Agreement (2014 FFA) with the Developer and Hotel Developer (collectively with the Developer, CPX). Under the 2014 FAA, the District agrees to acquire certain improvements constructed by the Developer (or as assigned to CPX Aurora FS Hotel, LLC and Sunflower Bank, N.A. (Sunflower) pursuant to that certain Collateral Assignment of Project Documents between the District, CPX, and Sunflower dated August 21, 2014) in connection with development of a hotel, conference center, and parking structure within the District's service area. Such public improvements include a boulevard entry, new water, storm, and sanitary lines, relocated electric utilities, roadways, landscaping and lighting (as defined in the 2014 FAA, the District Development Work). As contemplated in both the 2014 FAA and the AURA Contribution Agreement, certain proceeds of the 2014 Bonds, as well as the \$400,000 AURA Contribution shall be held in separate escrow accounts pursuant to the Escrow Agreement – District Improvements, and the Developer has the right to draw on the funds maintained in such escrow accounts, subject to receipt of a written certification from an independent engineer that the construction costs for which the Developer seeks reimbursement are reasonable and subject to reimbursement. Pursuant to the 2014 FAA, the District agrees to periodically reimburse the Developer for Certified Construction Costs (as defined therein) no more often than monthly up to a maximum amount of \$5,700,000, together with interest thereon, which shall accrue at the rate of 8% per annum.

Joint Facilities Fee Resolution

On August 13, 2014, the Boards of Directors of the District and District No. 1 adopted a Joint Resolution of Fitzsimons Village Metropolitan District Nos. 1 and 3 regarding the Imposition of Facilities Fees (Facilities Fee Resolution), which Resolution was recorded on August 21, 2014. The Facilities Fee Resolution imposes a one-time fee in the amount of \$1.00 per gross square foot on property located within the boundaries of the District or District No. 1 and intended for nonresidential use (Commercial Facilities Fee). The Commercial Facilities Fee is imposed on any building intended for nonresidential use and for which a building permit is required by the City, excluding parking structures and any land owned by nonprofit homeowners' associations, governmental entities, or utility providers. The Commercial Facilities Fee is due and payable on or before the date of issuance of a building permit for the applicable building. The Facilities Fee Resolution provides that interest will accrue on facilities fees not paid when due at the rate of 12% per annum until paid. Revenues derived from the imposition of the Commercial Facilities Fee by the District and by District No. 1 are pledged to the payment of the District's Bonds or any other indebtedness issued by the District.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS (CONTINUED)

Aurora Urban Renewal Authority IGA

On August 21, 2014, the District and District No. 1 entered into an Intergovernmental Agreement with the Aurora Urban Renewal Authority (AURA) (the AURA IGA). Pursuant to the AURA IGA, the parties agree to cooperate to assure that ad valorem property taxes levied by the District and District No. 1 and other Pledged Revenues are made available to the District and District No. 1 by AURA for purposes of financing public improvements necessary to develop a hotel, conference center, structured parking facility, and related amenities within the 3.822 acre Tax Increment Area 1 (TIF Area 1). The District has agreed to remit any such revenues received from AURA to District No. 1 pursuant to the 2020 Capital Pledge Agreement.

Operations and Maintenance Fee Payment Agreement

On August 21, 2014, the Districts entered into the Agreement Regarding Payment of Operations and Maintenance Fee with AURA (O&M Fee Agreement). Under the O&M Fee Agreement, AURA acknowledges the Districts' adoption of the O&M Fee Resolution, pursuant to which the Districts are authorized to impose a monthly O&M Fee on property within the Districts' boundaries for the payment of operations and maintenance costs related to certain public improvements. Pursuant to the O&M Fee Agreement, AURA consents to payment of the O&M Fee to the Districts from its Available Revenues (as defined in that certain 2013 PFRA). Likewise, the Districts acknowledge their intent to apply all or a portion of the Available Revenues allocated to each by AURA to the payment of operations and maintenance-related expenditures and agree that the rate of the O&M payable by AURA will not be increased without AURA's prior written consent. During 2022, The O&M Fee was imposed at a rate of \$0.026 per commercial square foot per month, and \$1.21 per residential unit per month.

Public Finance and Redevelopment Agreement

On July 28, 2008, the Districts, BWAB Fitzsimons LLC (General Developer), and AURA entered into the Public Finance and Redevelopment Agreement (2008 PFRA), pursuant to which the parties set forth their respective obligations regarding, among other things, the redevelopment of the Districts' service area and the financing of public infrastructure necessary for such redevelopment. Under the 2008 PFRA, AURA is obligated to pay certain of its tax increment revenues derived from the following sources to any of the Districts that issue bonds: ad valorem property tax, sales tax, lodger's tax, use tax, and any interest earned on such tax revenues (Pledged Revenues). AURA further agrees to irrevocably pledge such Pledged Revenues (net of any Pledged Revenues generated from the Districts' Operations Mill Levies or from the Districts' ARI Mill Levies) to the payment of bonds issued by any of the Districts to the extent such amounts are pledged under any applicable bond documents. The total principal amount of the funding obligation under terms of the 2008 PFRA is \$42,000,000 plus interest at 7% compounded annually on February 1st.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 AGREEMENTS (CONTINUED)

Public Finance and Redevelopment Agreement (Continued)

On August 21, 2014, the Districts, AURA, and the Developer (as successor-in-interest to the General Developer) entered into the First Amendment to the Public Finance and Redevelopment Agreement (Amended 2008 PFRA). The Amended 2008 PFRA acknowledges the exclusion of a certain portion of property from the redevelopment area described in the 2008 PFRA (Excluded Area) and establishes that only the Pledged Revenues generated from within the remaining property (Phase I Parcel) may be used to pay the Districts' financial obligations incurred to finance or refinance development to benefit the Phase I Parcel. Likewise, revenues generated from or attributable to the Excluded Area may be used to pay the Districts' financial obligations incurred to finance or refinance development to benefit the Excluded Area.

Project Funding Agreement

On November 1, 2021, the District and District No. 1 entered into the Project Funding Agreement in furtherance of the purpose, intent and provisions of the FFCO Agreement, and intend for this agreement to be a Capital Pledge Agreement as such term is defined in the FFCO Agreement. Under the Project Funding Agreement, District No. 1 shall be primarily responsible for facilitating, overseeing, and completed the Project. The Project shall include planning, design and construction, including soft costs, of the following public improvements:

- (i) An eight-level structured parking facility with approximately 660 parking spaces to be located within the boundaries of District No. 2 (the Parking Garage).
- (ii) An approximately 2.3 acre public park and community area located within the boundaries of the District (Promenade Park).
- (iii) Various internal street, street safety, wayfinding signage, stormwater drainage, water, and sanitary sewer improvements and related appurtenances located throughout the Fitzsimons Village community necessary to allow and support development within the District, District No. 1 and District No. 2 (Other Improvements).
- (iv) The Project shall also include any public improvements funded under the Advance and Reimbursement Agreements, including the planning, design and/or construction thereof.

The District agrees to contribute funding toward actual costs incurred by District No. 1 to complete the Project, including, but not limited to, costs associated with the planning, design and construction of the Project. The District also agrees to contribute funds to District No. 1 for the express limited purpose of funding the Project costs, provided the District Contribution shall not exceed actual proceeds available to the District for such purpose from the 2021 Bonds.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 RELATED PARTY

Development of the Project Area has been undertaken (through multiple affiliates) by Corporex Colorado, LLC, a Colorado limited liability company (the Developer) since its acquisition of such property (through affiliates) in 2010. The Developer is wholly owned by Corporex Companies, LLC, a Kentucky limited liability company, and the Developer is managed by Corporex Realty & Investment, LLC, a Kentucky limited liability company, which is also wholly owned by Corporex Companies, LLC (Corporex), and may have conflicts of interest in dealing with the District.

NOTE 10 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of, assets; errors or omissions; injuries to employees; or acts of God.

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

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

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

On May 2, 2006, the District voters passed an election question allowing the District to increase property taxes up to \$5,000,000 annually, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

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.

SUPPLEMENTARY INFORMATION

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	62,950	62,950	62,950	-
Specific Ownership Tax	4,639	4,184	4,184	-
Net Investment Income	5,675	89,158	89,158	-
Public Improvement Fees	210,000	280,185	280,185	-
Transfer from AURA - TIF Property Taxes	67,048	69,063	69,063	-
Transfer from Fitzsimons Village No. 1 - AURA Funding	752,000	902,572	902,572	-
Transfer from Fitzsimons Village No. 1 - PIF	10,000	33,817	33,817	-
Transfer from Fitzsimons Village No. 2 - Taxes	68,861	68,861	68,858	(3)
Total Revenues	<u>1,181,173</u>	<u>1,510,790</u>	<u>1,510,787</u>	<u>(3)</u>
EXPENDITURES				
Bond Interest - 2021 Bonds	2,051,881	2,051,881	2,051,881	-
County Treasurer's Fees	944	952	952	-
Paying Agent Fees	7,000	7,000	4,000	3,000
Transfers to Fitzsimons Village No. 1 - PIF	210,000	280,185	280,185	-
Transfers to Fitzsimons Village No. 1 - TIF Prop Tax	67,048	69,063	69,063	-
Contingency	-	3,919	-	3,919
Total Expenditures	<u>2,336,873</u>	<u>2,413,000</u>	<u>2,406,081</u>	<u>6,919</u>
NET CHANGE IN FUND BALANCES	(1,155,700)	(902,210)	(895,294)	6,916
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	-	(23,492)	(23,492)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(23,492)</u>	<u>(23,492)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,155,700)	(925,702)	(918,786)	6,916
Fund Balance - Beginning of Year	<u>5,995,061</u>	<u>5,995,061</u>	<u>5,913,609</u>	<u>(81,452)</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,839,361</u>	<u>\$ 5,069,359</u>	<u>\$ 4,994,823</u>	<u>\$ (74,536)</u>

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ -	\$ 248,726	\$ 248,726
Total Revenues	-	248,726	248,726
EXPENDITURES			
Transfers to Fitzsimons Village No. 1	17,000,000	1,641,163	15,358,837
Total Expenditures	17,000,000	1,641,163	15,358,837
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,000,000)	(1,392,437)	15,607,563
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	-	23,492	23,492
Total other Financing Sources (Uses)	-	23,492	23,492
NET CHANGE IN FUND BALANCE	(17,000,000)	(1,368,945)	15,631,055
Fund Balance - Beginning of Year	17,000,000	17,000,000	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 15,631,055</u>	<u>\$ 15,631,055</u>