**ANNUAL INFORMATION REPORT**
**FOR THE YEAR 2022**
**CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT**

As required by Section 32-1-207(3)(c), C.R.S., and Section VII of the Amended and Restated Service Plan for Cherry Creek Corporate Center Metropolitan District (the "**District**"), approved by the City of Glendale (the "**City**") on December 14, 2012, the following report of the District's activities from January 1, 2022 to December 31, 2022 is hereby submitted:

1. **Boundary changes made or proposed to the District's boundary as of December 31st of the prior year.** There were no boundary changes made or proposed in 2022.

2. **Agreements with other governmental entities, either entered into, proposed, or terminated as of December 31st of the prior year.** The District was a party to the following intergovernmental agreements as of December 31, 2022:

- *Amended and Restated Intergovernmental Agreement between the City of Glendale, Colorado and the Cherry Creek Corporate Center Metropolitan District, dated 12/04/12* – sets forth the rights and obligations of the District and the City as contemplated by the District's Service Plan.
- *Reimbursement Agreement (with Glendale Economic Redevelopment Authority), dated 7/20/12 (as assigned to the District by that certain Assignment of Rights and Assumption of Obligations under the Reimbursement Agreement, dated 12/18/12 between ROC-SCCP Cherry Creek II, L.P. and the District)* – The Agreement sets forth (1) the rights and obligations of the District regarding the financing and construction of certain Eligible Public Improvements to assist the Glendale Economic Redevelopment Authority (the "Authority") in carrying out the Urban Renewal Plan; and (2) the rights and obligations of the Authority regarding pledged revenue streams for repayment of the financing and construction by the District, through its bond issuance, for those certain Eligible Public Improvements.

3. **A list of all facilities and improvements constructed or acquired by the District and those that have been dedicated to and accepted by the City as of December 31st of the prior year.** During 2013, the District completed construction of a public parking structure, completed the Birch Street Improvements, completed demolition and environmental abatement of the Spanish Gate apartment building, and engineered and constructed a surface parking lot (the "Spanish Gate Lot") on the Spanish Gate site. A Special Warranty Deed from the District to the City for the Spanish Gate Lot was signed on 12/12/17 and recorded on 1/05/18. Final acceptance of the Birch Street Improvements by the City occurred in September, 2015, and a Special Warranty Deed conveying the Birch Street Improvements from the District to the City was signed on 4/01/20 and recorded on 4/02/20.

4. **Audit of the District's financial statements, for the year ending December 31st of the previous year, prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable.** A copy of the District's 2022 Audit is attached hereto as **Exhibit A**.

5. **Notice of continuing disclosure undertaking for events of default or uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.** To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.

6. **Any inability of the District to pay its obligations as they come due in accordance with the terms of and Debt instruments, which continue beyond a ninety (90) day period.** To our knowledge, the District has been able to pay its obligations as they come due.

7. **Access information to obtain a copy of rules and regulations adopted.** Contact McGeady Becher P.C., 450 E. 17th Ave., Suite 400, Denver, CO 80203-1254. Phone: 303-592-4380. Email: info@specialdistrictlaw.com.

8. **Summary of litigation involving the District's public improvements.** There was no litigation involving the District's public improvements during 2022.

9. **Status of the District's construction of public improvements.** See Item 3 above.

10. **Final assessed valuation of the District for the report year.** $6,442,188.

11. **Current year's budget.** A copy of the District's 2023 Adopted Budget is attached hereto as **Exhibit B**.

**EXHIBIT A**

**2022 AUDIT**

# CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2022

with

Independent Auditors' Report

C O N T E N T S

SCHILLING & COMPANY, INC.
Certified Public Accountants
P.O. Box 631579
Highlands Ranch, CO 80163
Phone: 720.348.1086
Fax: 720.348.2920

**Independent Auditor's Report**

Board of Directors
Cherry Creek Corporate Center Metropolitan District
Arapahoe County, Colorado

***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Cherry Creek Corporate Center Metropolitan District (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Cherry Creek Corporate Center Metropolitan District, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibility of Management for the Financial Statements***

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

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

### *Auditor's Responsibility for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### *Required Supplementary Information*

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

*Supplementary Information*

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

*Other Information*

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Schilling & Company, Inc.

Highlands Ranch, Colorado
July 11, 2023

# CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2022

| | General | Debt Service | Total | Adjustments | Statement of Net Position |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash and investments | $ 212,332 | $ - | $ 212,332 | $ - | $ 212,332 |
| Cash and investments - restricted | 1,698 | 558,004 | 559,702 | - | 559,702 |
| Prepaid expenses | 3,063 | - | 3,063 | - | 3,063 |
| Total Assets | $ 217,093 | $ 558,004 | $ 775,097 | - | 775,097 |
| LIABILITIES | | | | | |
| Accounts payable | $ 2,739 | $ - | $ 2,739 | - | 2,739 |
| Accrued interest on bonds | - | - | - | 31,805 | 31,805 |
| Long-term liabilities: | | | | | |
| Due within one year | - | - | - | 240,000 | 240,000 |
| Due in more than one year | - | - | - | 12,726,011 | 12,726,011 |
| Total Liabilities | 2,739 | - | 2,739 | 12,997,816 | 13,000,555 |
| FUND BALANCES/NET POSITION | | | | | |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Prepaids | 3,063 | - | 3,063 | (3,063) | - |
| Restricted: | | | | | |
| Emergencies | 1,698 | - | 1,698 | (1,698) | - |
| Debt service | - | 558,004 | 558,004 | (558,004) | - |
| Assigned: | | | | | |
| Assigned for subsequent year's expenditures | 209,593 | - | 209,593 | (209,593) | - |
| Total Fund Balances | 214,354 | 558,004 | 772,358 | (772,358) | - |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | $ 217,093 | $ 558,004 | $ 775,097 | | |
| Net Position: | | | | | |
| Restricted for: | | | | | |
| Emergencies | | | | 1,698 | 1,698 |
| Debt service | | | | 220,884 | 220,884 |
| Unrestricted | | | | (12,448,040) | (12,448,040) |
| Total Net Position | | | | $ (12,225,458) | $ (12,225,458) |

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

## CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

| | General | Debt Service | Total | Adjustments | Statement of Activities |
|---|---|---|---|---|---|
| Accounting | 6,234 | $ - | $ 6,234 | $ - | $ 6,234 |
| Election expense | 1,370 | - | 1,370 | - | 1,370 |
| Audit | 5,500 | - | 5,500 | - | 5,500 |
| Insurance/SDA | 2,760 | - | 2,760 | - | 2,760 |
| Legal | 23,604 | - | 23,604 | - | 23,604 |
| Website setup and maintenance | 771 | - | 771 | - | 771 |
| Miscellaneous expenses | 20 | - | 20 | - | 20 |
| Treasurer's fees | - | 4,970 | 4,970 | - | 4,970 |
| Bond principal | - | 405,000 | 405,000 | (405,000) | - |
| Bond interest expense | - | 481,680 | 481,680 | (1,581) | 480,099 |
| Paying agent fees | - | 6,000 | 6,000 | - | 6,000 |
| Developer interest | - | - | - | 264,939 | 264,939 |
| Total Expenditures | 40,259 | 897,650 | 937,909 | (141,642) | 796,267 |
| GENERAL REVENUES | | | | | |
| Property tax increment revenue | - | 994,075 | 994,075 | - | 994,075 |
| Interest income | 2,982 | 18,807 | 21,789 | - | 21,789 |
| Total General Revenues | 2,982 | 1,012,882 | 1,015,864 | - | 1,015,864 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (37,277) | 115,232 | 77,955 | 141,642 | 219,597 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers to/from other funds | 53,607 | (53,607) | - | - | - |
| Total Other Financing Sources (Uses) | 53,607 | (53,607) | - | - | - |
| NET CHANGES IN FUND BALANCES | 16,330 | 61,625 | 77,955 | (77,955) | |
| CHANGE IN NET POSITION | | | | 219,597 | 219,597 |
| FUND BALANCES/NET POSITION: | | | | | |
| BEGINNING OF YEAR | 198,024 | 496,379 | 694,403 | (13,139,458) | (12,445,055) |
| END OF YEAR | $ 214,354 | $ 558,004 | $ 772,358 | $(12,997,816) | $(12,225,458) |

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

## CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2022

| | Original & Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|---|---|---|
| REVENUES | | | |
| Interest income | $ 500 | $ 2,982 | $ 2,482 |
| Miscellaneous income | 100 | - | (100) |
| Total Revenues | 600 | 2,982 | 2,382 |
| EXPENDITURES | | | |
| Accounting | 8,500 | 6,234 | 2,266 |
| Election expense | 5,000 | 1,370 | 3,630 |
| Audit | 5,500 | 5,500 | - |
| Insurance/SDA | 3,300 | 2,760 | 540 |
| Legal | 17,000 | 23,604 | (6,604) |
| Website setup and maintenance | 800 | 771 | 29 |
| Miscellaneous expenses | 1,000 | 20 | 980 |
| O&M Reserve | 100,000 | - | 100,000 |
| Contingency | 105,098 | - | 105,098 |
| Emergency reserve | 1,233 | - | 1,233 |
| Total Expenditures | 247,431 | 40,259 | 207,172 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (246,831) | (37,277) | 209,554 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers to/from other funds | 53,607 | 53,607 | - |
| Total Other Financing Sources (Uses) | 53,607 | 53,607 | - |
| NET CHANGE IN FUND BALANCE | (193,224) | 16,330 | 209,554 |
| FUND BALANCE: | | | |
| BEGINNING OF YEAR | 193,224 | 198,024 | 4,800 |
| END OF YEAR | $ - | $ 214,354 | $ 214,354 |

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

Note 1: Summary of Significant Accounting Policies

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

Definition of Reporting Entity
The District was organized on November 15, 2012, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to plan, design, acquire, construct, install, relocate, redevelop and finance portions of the public improvements and facilities within the District ("the District improvements"). The District's primary revenues are TIF property tax increment revenues. The District is governed by an elected Board of Directors.

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

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

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

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

Budgetary Accounting

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

In December 2022, the District amended its total appropriations in the Debt Service Fund from $900,500 to $1,200,000 primarily due to additional principal and interest payments on the Series 2016B Bonds (see Note 3).

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

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

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

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

Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. These amounts are eliminated in the Statement of Net Position.

Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any items that qualify for reporting in this category.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. At December 31, 2022, the District had no depreciable capital assets.

Property Tax Increment Revenues

The District receives Property Tax Increment Revenue from the Glendale Urban Renewal Authority which result from the imposition of ad valorem property taxes by the District and other taxing jurisdictions.

Long-Term Obligations

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

Fund Equity

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

Nonspendable Fund Balance

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

The nonspendable fund balance in the General Fund in the amount of $3,063 represents prepaid expenditures.

Restricted Fund Balance

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $1,698 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $558,004 is restricted for the payment of the debt service costs associated with the Series 2015A Bonds and Series 2016B Bonds (see Note 3).

Committed Fund Balance

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

Assigned Fund Balance

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

The assigned fund balance in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2023.

Unassigned Fund Balance

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

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

Net Position

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

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

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

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

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

Note 2: Cash and Investments

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

| | |
|---|---|
| Statement of Net Position: | |
| Cash and investments | $ 212,332 |
| Cash and investments - Restricted | 559,702 |
| Total | $ 772,034 |

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

| | |
|---|---|
| Deposits with financial institutions | $ 21,120 |
| Investments - COLOTRUST | 750,914 |
| | $ 772,034 |

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

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

At December 31, 2022, the District's cash deposits had a bank balance of $21,120 and a carrying balance of $21,120.

Investments

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

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

Custodial and Concentration of Credit Risk
None of the District's investments are subject to custodial or concentration of credit risk.

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

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

COLOTRUST
As of December 31, 2022, the District invested in the Colorado Local Governmental Liquid Asset Trust ("COLOTRUST"), a local governmental investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value ("NAV") of $1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments.

COLOTRUST PLUS+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using the net asset value. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less and is rated AAAm by Standard & Poor's. At December 31, 2022, the District had $750,914 invested in COLOTRUST PLUS+.

Restricted Cash and Investments
At December 31, 2022, cash and investments in the amount of $468,832 are held in trust by UMB and are restricted for debt service in accordance with the Indenture of Trust related to the Series 2015 Senior Lien Revenue Refunding Bonds and the 2016 Subordinate Lien Revenue Bonds (Note 3).

## Note 3: Long Term Debt

The following is an analysis of changes in long-term debt for the period ending December 31, 2022:

| | Balance 1/1/2022 | Additions | Deletions | Balance 12/31/2022 | Current Portion |
|---|---|---|---|---|---|
| General Obligation Bonds: | | | | | |
| 2015 Senior Lien Revenue Refunding Bonds | $ 6,160,000 | $ - | $ 230,000 | $ 5,930,000 | $ 240,000 |
| 2016 Subordinate Lien Revenue Bonds | 2,171,000 | - | 175,000 | 1,996,000 | - |
| | 8,331,000 | - | 405,000 | 7,926,000 | 240,000 |
| Notes from direct borrowing and direct placements: | | | | | |
| Developer Advances: | | | | | |
| Principal - Capital | 3,311,738 | - | - | 3,311,738 | - |
| Accrued Interest - Capital | 1,463,334 | 264,939 | - | 1,728,273 | - |
| | 4,775,072 | 264,939 | - | 5,040,011 | - |
| Total | $ 13,106,072 | $ 264,939 | $ 405,000 | $ 12,966,011 | $ 240,000 |

The District does not have any unused line of credit at December 31, 2022.

A description of the long-term obligations as of December 31, 2022, is as follows:

$7,100,000 Senior Lien Revenue Refunding Bonds, Series 2015A
On December 23, 2015, the District issued the Senior Lien Revenue Refunding Bonds, Series 2015A ("Series 2015A Bonds") in the amount of $7,100,000 with interest of 5.0%. Proceeds of the Series 2015A Bonds were used for issuance costs and to repay the 2012 Tax-Exempt Loan principal and accrued interest. The District refunded the 2012 Tax-Exempt Loan to extend its debt service payments over the next 22 years. The Series 2015A Bonds mature on June 1, 2037, with mandatory sinking fund payments each year on December 1 in each of the years 2016 through 2036 and on June 1, 2037. Interest is payable on June 1 and December 1 of each year, commencing on June 1, 2016.

The bonds are payable from pledged revenue, which includes the District's covenant to levy the required mill levy on all taxable property within the District to pay for debt scheduled payments, specific ownership taxes, tax increment revenue and recovered amounts received from the Glendale Economic Redevelopment Authority ("Authority") under the Reimbursement Agreement with the Authority (Note 5) and any other revenues designated as such and pledged to the payment of the bonds by a resolution adopted by the board. The District is required to impose a mill levy sufficient to pay principal and interest on the bonds as they come due in an amount not to exceed 180 mills less the number of mills permitted to be imposed for payment of operations and maintenance expenses of the District and less the total overlapping mill levies. The District is required to impose the required mill levy only in the event that tax increment revenues and certain other available revenues, together with amounts on deposit in the Surplus Fund, are not projected to be sufficient to pay debt service on the Series 2015A Bonds.

Pursuant to the Bond Resolution and Indenture for the Series 2015A Bonds, the District is required to establish a Reserve Fund for the Series 2015A Bonds with bond proceeds in the amount of $255,315. At December 31, 2022, the balance was $257,252.

Pledged revenue not required for the payment of the Series 2015A Bonds or the Reserve Fund shall be credited to the Surplus Fund in a maximum amount of $200,000. The Surplus Fund was initially funded with bond proceeds in the amount of $50,000. At December 31, 2022, the balance was $203,424.

To the extent that any principal payments on the 2015A Bonds are not paid when due, such principal shall remain outstanding until paid. To the extent interest is not paid when due, such interest shall compound semiannually on each June 1 and December 1 at the rate then borne by the Series 2015A Bonds. The Indenture of Trust for the 2015A Bonds states that there are no rights of acceleration for an event of default.

$2,422,000 Subordinate Lien Revenue Bonds, Series 2016B
On June 23, 2016, the District issued the Subordinate Lien Revenue Bonds, Series 2016B ("Series 2016B Bonds") in the amount of $2,422,000 with interest of 8.0%. Proceeds of the Series 2016B Bonds were used for issuance costs and to repay Developer Advance principal and accrued interest. The Series 2016B Bonds mature on June 15, 2037. Interest is payable on December 15 of each year, commencing on December 15, 2016. Unpaid interest shall compound annually on December 15 of each year.

The Series 2016B Bonds are only payable in any particular year to the extent that there are amounts available in the Subordinate Obligations Fund. The Subordinate Obligations Fund is to be funded by excess tax increment revenue and recovered amounts received from the Glendale Economic Redevelopment Authority ("Authority") under the Reimbursement Agreement with the Authority (Note 5), after payment of principal and interest on the Series 2015A Bonds, replenishment of the 2015 Reserve Fund and funding of the 2015 Surplus Fund up to the maximum of $200,000. Amounts deposited into the Subordinate Obligations Fund are to be spent within 13 months from deposit. At December 31, 2022, the Subordinate Obligations Fund balance was $1,387.

In the event that the Tax Increment Revenues and recovered amounts available for deposit to the Subordinate Obligations Funds are insufficient to pay scheduled principal on the Series 2016B Subordinate Bond when due, such principal shall remain outstanding until paid. To the extent interest on any Series 2016B Subordinate Bond is not paid when due, such interest shall continue to accrue and shall compound annually on each December 15 at a rate then borne by such Series 2016B Subordinate Bonds. During this period of interest accrual, so long as the District is enforcing the collection of the Tax Increment Revenues and recovered amounts and depositing such amounts with the Trustee pursuant to the terms of the Indenture, the District will not be in default and owners of the Series 2016B Bonds will have no recourse against the District to require such payments. The Authority will not be entitled to receive any Tax Increment Revenues after July 10, 2037, so no such revenues will be available for payment on the Series 2016B Bonds.

The 2016B Bond documents state that there are no rights of acceleration for an event of default.

In December 2021, the amount of $53,000 was intended to be the amount defined as "Funds Available for Operations" in Section 1.01 of the Indentures applicable to the Series 2015A Bonds and Series 2016B Bonds for the District's use to pay operations and maintenance expenses in fiscal year 2022 (the "2022 Operations Payment"). The 2022 Operations Payment was inadvertently not paid to the District, and instead was unintentionally paid to the Series 2016B Owners as an additional principal payment under the Series 2016B Bonds (the "Inadvertent Principal Payment").

After discovering that the 2022 Operations Payment was not paid to the District and instead was paid to the Series 2016B Owners as the Inadvertent Principal Payment, the Trustee paid the 2022 Operations Payment to the District out of the Trustee's funds.

During 2022, the District had collected sufficient property tax revenue to, in accordance with Section 4.05(c) of the Indentures: (i) pay the interest and principal owed in 2022 under the Series 2015A Bonds; (ii) pay the Trustee fees owed in 2022; (iii) pay the "Funds Available for Operations" for the District's use to pay operations and maintenance expenses in fiscal year 2023; (iv) pay the interest and principal owed in 2022 under the District's Series 2016B Bonds; and (v) reimburse the Trustee for the payment of the 2022 Operations Payment (the "Trustee Reimbursement").

Given that the Trustee paid the 2022 Operations Payment from its own funds, that the Series 2016B Owners received the additional Inadvertent Principal Payment, that the District has sufficient revenue to pay its 2022 obligations under the Series 2015A Bonds and Series 2016B Bonds, and that the District has sufficient funds to pay the Trustee Reimbursement, upon information and belief, the District avers that the Inadvertent Principal Payment will not prejudice the owners of the Series 2015A Bonds (the "Series 2015A Owners") and the Series 2016B Owners, and the District posted a voluntary notice regarding the above matters in August 2022.

Operation Funding Agreement

The District previously entered into an Operation Funding Agreement with ROC-SCCP Cherry Creek II, LP ("ROC"), dated December 3, 2012, and effective as of November 15, 2012 (the "Original OFA"). The District entered into a First Amended and Restated Operation Funding Agreement with ROC and AA Cherry Creek, LLC ("AA Cherry Creek"), dated December 19, 2013, and effective as of December 3, 2013 (the "First Amended OFA"), under which the Original OFA was terminated and ROC agreed to waive its right to reimbursement of Prior O&M Advances under the Original OFA, as well as any O&M Expenses under the First Amended OFA. The District entered into a Second Amended and Restated Operation Funding Agreement with ROC and AA Cherry Creek, dated December 1, 2015, and effective as of December 7, 2015 (the "Second Amended OFA"), under which the First Amended OFA was amended and restated in its entirety and ROC affirmed its waiver of its right to reimbursement of the Prior O&M Advances under the Original OFA, as well as any O&M Expenses under the Second Amended OFA. Cumulatively, as of December 31, 2022, $215,933 has been advanced and forgiven under the Original OFA, First Amended OFA and Second Amended OFA.

The 2nd Amended OFA requires the District to provide its annual budget which indicates the total amount to be appropriated for operation and maintenance expense (O&M Expenses) for the subsequent year to ROC and AA Cherry Creek no later than November 1 of each year. If the budgeted O&M Expenses for the next fiscal year exceed 50% of the funds on deposit in the O&M Escrow Account, ROC shall advance the difference to the District no later than December 1 of every year, through the year of dissolution of the District. The Parties anticipated that the O&M Expense in 2017 would not exceed $50,000, and that the O&M Expenses for any fiscal year thereafter would not exceed an amount equal to $50,000, plus 1 %, compounding annually from January 1, 2016. Given these understandings, the parties thus expected that Developer Advances would not be necessary. However, the expectation that Developer Advances may not be needed is not a limit on the amount of the Developer Advance required under the 2nd Amended OFA; ROC shall be responsible for replenishing the O&M Escrow Account.

The O&M Escrow Account will be initially funded with $100,000 from the proceeds of the Series 2015A Bonds. The Series 2015A Bond Indenture flow of funds also provides that before any annual payment of principal and interest are made on Subordinate bonds, $50,000 of Property Tax Increment Revenue shall be deposited in the O&M Escrow Account in 2016, and for any fiscal year thereafter, an amount shall be deposited equal to $50,000, plus 1%, compounding annually from January 1, 2016.

Under the 2nd Amended OFA, ROC waives its right to reimbursement of the O&M advances after December 7, 2015 for operating and maintenance purposes made pursuant to the Original OFA, as well as any developer advances used by the District for operating and maintenance purposes made pursuant to the 2nd Amended OFA.

Also on December 1, 2015, the ROC, AA Cherry Creek, and Core Cherry Limited Partnership (“Core”) entered into an Amendment to Acknowledgment Amendment and Agreement, under which Core consented to the 2nd Amended OFA, and the parties acknowledged Core’s status as a third-party beneficiary of the 2nd Amended OFA.

During the District’s December 3, 2019 Board meeting, the Board authorized the execution of a proposed Third Amended and Restated Operation Funding Agreement, and during the District's December 8, 2020 Board meeting, the Board approved a revised version of the proposed Third Amended and Restated Operation Funding Agreement with ROC, G&I IX MJW Cherry Creek LLC and Core (as so revised, the “Proposed Third Amended OFA”), which extended the operation funding requirement through fiscal year 2021. The District understands that, subsequent to the December 8, 2020 Board meeting, and prior to the execution of the Proposed Third Amended OFA by all parties, Core conveyed the property that Core previously owned within the District’s boundaries to Glendale CO I SGF, LLC (“Glendale SGF”). To date, the Third Amended OFA has not been fully executed.

Facilities Funding and Acquisition Agreement

The District and the Developer entered into a Facilities Funding and Acquisition Agreement ("FFA") effective on December 3, 2012. On December 2, 2014, the FFA was amended to extend the date for expense reimbursements to December 31, 2014.

Organization Costs – According to the terms of the FFA, the District shall reimburse the Developer for organization expenses incurred not to exceed $35,000. Simple interest accrues on the organization expenses at a rate of 8% from the date the cost was incurred by the Developer. On December 3, 2013, the FFA was amended to increase the amount to reimburse the Developer for organization expenses up to $80,000 and to clarify that organization expenses are to accrue simple interest from the organization date. As of December 31, 2022, all obligations under the FFA for organization costs had been reimbursed to the Developer.

Construction Costs – The parties to the FFA acknowledge that the District will incur construction related expenses in connection with the construction of certain public improvements in reliance upon the Developer's commitment to provide funding. In addition, the Developer has or will design, construct and complete certain improvements for District acquisition upon completion. To the extent that the public improvements are not designed, constructed and completed by the Developer for the District's acquisition upon completion, the Developer shall advance funds to the District necessary to fund the construction related expense for the fiscal years 2012 through 2014 up to $17,000,000 less the aggregate amount of verified construction costs incurred by the Developer. Simple interest accrues from the date the costs are incurred by the Developer at a rate of 8%. The District anticipates payment of the developer advances and/or verified costs to be from the proceeds of debt incurred by the District.

At December 31, 2022, the District owed a total of $3,311,738 in principal and $1,728,273 in accrued interest under the FFA.

The following is a summary of the annual long-term debt principal and interest requirements of the 2015 Senior Lien Revenue Refunding Bonds.

| | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 240,000 | $ 296,500 | $ 536,500 |
| 2024 | 265,000 | 284,500 | 549,500 |
| 2025 | 275,000 | 271,250 | 546,250 |
| 2026 | 300,000 | 257,500 | 557,500 |
| 2027 | 315,000 | 242,500 | 557,500 |
| 2028 - 2032 | 1,940,000 | 952,250 | 2,892,250 |
| 2033 - 2037 | 2,595,000 | 387,000 | 2,982,000 |
| | $ 5,930,000 | $ 2,691,500 | $ 8,621,500 |

Because of the uncertainty of timing of payments under the 2016 Subordinate Lien Revenue Bonds, no related schedule of expected principal and interest payments is presented.

Debt Authorization
As of December 31, 2022, the District had remaining voted debt authorization of approximately $223,478,000. The District has not budgeted to issue any new debt during 2023. Per the District's Service Plan, the District can not issue debt in excess of $20,000,000.

## Note 4: Agreements

Reimbursement Agreement
The Developer and Glendale Economic Redevelopment Authority ("Authority") entered into a Reimbursement Agreement on July 20, 2012. The Authority acknowledged that the Developer intended to form a metropolitan district and to assign certain of its obligations under the Reimbursement Agreement to the District. This agreement was assigned to the District by the Developer on December 18, 2012.

The Reimbursement Agreement contemplates that the District shall construct public improvements within the Authority's boundaries. The District is to finance and construct the public improvements through the issuance of bonds, notes or other financial obligations. In turn, the Authority has pledged the Property Tax Increment Revenue and the Recovered Amounts (to be used exclusively to re-pay the debt issued by the District). The Property Tax Increment Revenue consists of ad valorem property tax revenue received by the Authority in excess of the amount produced by the levy of taxing bodies that levy property taxes against the base assessed value of the taxable property within the Urban Renewal Area.

Parking Structure Use, Operation and Maintenance and Funding Agreement
On December 19, 2013, the District entered into a Parking Structure Use, Operation and Maintenance and Funding Agreement ("Parking Agreement") with the Developer and the City of Glendale ("the City"). On December 1, 2015, the Parking Agreement was assigned from the Developer to the Buyer. The Reimbursement Agreement discussed above provides for the design and construction of a 289,000 square foot multi-level parking structure located within the Cherry Creek Corporate Center Office Tower capable of parking approximately 972 cars. The Parking Agreement sets for the rights, obligations and procedures for the use, operation, and maintenance of the parking structure.

The owner of the parking structure shall serve as the operator of the parking structure and agrees to maintain the parking structure in good condition. The City has been allocated certain licensed spaces within the parking structure and is responsible for its proportionate share (12%) of operation and maintenance costs. If there is a failure by the City to pay any amount required pursuant to this Parking Agreement, the Developer will provide written notice to the City. The City will have thirty days to make payment. If not paid within the 30 days allowed, it will be considered an Event of Default. The Developer will then notify the District of the Event of Default by the City and the District will have 30 days in which to cure the Event of Default.

The District has no financial obligation under the Parking Agreement except in the Event of Default by the City as previously discussed.

Note 5: Net Position Deficit

The District's net position at December 31, 2022 was a deficit and totaled $12,225,458. The deficit amount was a result of the District being responsible for repayment of bonds issued for public improvements conveyed to other governmental entities.

## Note 6: Related Party

The majority of the Board of Directors are employees, consultants, owners or are otherwise associated with the Developer, or other entities that own property within the District, and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed by the Board.

## Note 7: Tax, Spending and Debt Limitations

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

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

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

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

On November 6, 2012, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 8: Risk Management

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

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

Note 9: Interfund and Operating Transfers

The transfer of $53,607 from the Debt Service Fund to General Fund was transferred for the purpose of funding the O&M Escrow account which was established pursuant to the Operation Funding Agreement. (See Note 3)

Note 10: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

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

1) long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

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

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

2) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

# CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| REVENUES | | | | |
| Property tax increment revenue | $ 900,000 | $ 1,010,000 | $ 994,075 | $ (15,925) |
| Interest income | 500 | 4,000 | 18,807 | 14,807 |
| Total Revenues | 900,500 | 1,014,000 | 1,012,882 | (1,118) |
| EXPENDITURES | | | | |
| Bond principal | 346,643 | 653,163 | 405,000 | 248,163 |
| Bond interest expense | 488,000 | 481,680 | 481,680 | - |
| Paying agent fees | 7,250 | 6,000 | 6,000 | - |
| Treasurer's fees | 4,500 | 5,050 | 4,970 | 80 |
| Miscellaneous expenses | 500 | 500 | - | 500 |
| Total Expenditures | 846,893 | 1,146,393 | 897,650 | 248,743 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 53,607 | (132,393) | 115,232 | 247,625 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers to/from other funds | (53,607) | (53,607) | (53,607) | - |
| Total Other Financing Sources (Uses) | (53,607) | (53,607) | (53,607) | - |
| NET CHANGE IN FUND BALANCE | - | (186,000) | 61,625 | 247,625 |
| FUND BALANCE: | | | | |
| BEGINNING OF YEAR | 255,315 | 496,379 | 496,379 | - |
| END OF YEAR | $ 255,315 | $ 310,379 | $ 558,004 | $ 247,625 |

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

OTHER INFORMATION

# CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2022

**$7,100,000 Senior Lien Revenue**
**Refunding Bonds, Series 2015A**
**Dated December 23, 2015**
**Interest Rate at 5.00%**
**Principal Due December 1**
**Interest Due June 1 and December 1**

| Year Ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 240,000 | $ 296,500 | $ 536,500 |
| 2024 | 265,000 | 284,500 | 549,500 |
| 2025 | 275,000 | 271,250 | 546,250 |
| 2026 | 300,000 | 257,500 | 557,500 |
| 2027 | 315,000 | 242,500 | 557,500 |
| 2028 | 340,000 | 226,750 | 566,750 |
| 2029 | 360,000 | 209,750 | 569,750 |
| 2030 | 390,000 | 191,750 | 581,750 |
| 2031 | 410,000 | 172,250 | 582,250 |
| 2032 | 440,000 | 151,750 | 591,750 |
| 2033 | 465,000 | 129,750 | 594,750 |
| 2034 | 500,000 | 106,500 | 606,500 |
| 2035 | 520,000 | 81,500 | 601,500 |
| 2036 | 560,000 | 55,500 | 615,500 |
| 2037 | 550,000 | 13,750 | 563,750 |
| | $ 5,930,000 | $ 2,691,500 | $ 8,621,500 |

# EXHIBIT B

## 2023 BUDGET

**RESOLUTION NO. 2022-12-03**

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY**

**RESOLUTION OF THE BOARD OF DIRECTORS OF CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2023**

A. The Board of Directors of the Cherry Creek Corporate Center Metropolitan District (the "**District**") has appointed Simmons & Wheeler, P.C. to prepare and submit a proposed budget to said governing body at the proper time.

B. Simmons & Wheeler, P.C. has submitted a proposed budget to this governing body by October 15, 2022 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 6, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("**TABOR**") and other laws or obligations which are applicable to or binding upon the District.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT, CITY OF GLENDALE, ARAPAHOE COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

**[SIGNATURE PAGE FOLLOWS]**

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on December 6, 2022.

**CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT**

By: Marc R. Bradac
President

Attest:

By: Heather Kunckel
Secretary

# EXHIBIT A

Budget

**CHERRY CREEK CORPORATE CENTER METROPOLITAN DISTRICT**
**2023**
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2023 budget for Cherry Creek Corporate Center Metropolitan District.

The Cherry Creek Corporate Center Metropolitan District has adopted budgets for two funds, a General Fund to provide for general operating expenditures and a Debt Service Fund to account for the repayment of principal and interest on general obligation debt of the district.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary source of revenue for the district in 2023 will be TIF property tax increment revenue. The district does not intend to impose a mill levy on property within the district for 2023.

**Cherry Creek Corporate Center Metropolitan District**
**Adopted Budget**
**General Fund**
**For the Year ended December 31, 2023**

| | Actual 2021 | Adopted Budget 2022 | Actual 6/30/2022 | Estimate 2022 | Adopted Budget 2023 |
|---|---|---|---|---|---|
| Beginning fund balance | $ 173,728 | $ 193,224 | $ 198,024 | $ 198,024 | $ 212,161 |
| Revenues: | | | | | |
| Miscellaneous income | - | 100 | - | 100 | 100 |
| Transfer from Debt Service | 53,076 | 53,607 | - | 53,607 | 54,143 |
| Interest income | 79 | 500 | 394 | 900 | 2,000 |
| Total revenues | 53,155 | 54,207 | 394 | 54,607 | 56,243 |
| Total funds available | 226,883 | 247,431 | 198,418 | 252,631 | 268,404 |
| Expenditures: | | | | | |
| Accounting | 7,545 | 8,500 | 3,192 | 8,500 | 9,000 |
| Audit | 5,800 | 5,500 | 5,500 | 5,500 | 5,800 |
| Election | - | 5,000 | 1,370 | 1,370 | 5,000 |
| Insurance/SDA Dues | 2,768 | 3,300 | 2,761 | 2,800 | 3,000 |
| Legal | 12,736 | 17,000 | 8,698 | 21,000 | 19,000 |
| Website setup and maintenance | - | 800 | 771 | 800 | 800 |
| Miscellaneous Expense | 10 | 1,000 | 10 | 500 | 1,000 |
| O&M Reserve | - | 100,000 | - | - | 100,000 |
| Contingency | - | 105,098 | - | - | 123,496 |
| Emergency reserve (3%) | - | 1,233 | - | - | 1,308 |
| Total expenditures | 28,859 | 247,431 | 22,302 | 40,470 | 268,404 |
| Ending fund balance | $ 198,024 | $ - | $ 176,116 | $ 212,161 | $ - |
| Assessed Value (000's) | | 14,205,450 | | | 14,052,075 |
| TIF Increment | | 7,384,214 | | | 7,609,887 |
| Net AV | | 6,821,236 | | | 6,442,188 |
| Mill Levy | | - | | | - |

**Cherry Creek Corporate Center Metropolitan District**
**Adopted Budget**
**Debt Service Fund**
**For the Year ended December 31, 2023**

| | Actual 2021 | Adopted Budget 2022 | Actual 6/30/2022 | Estimate 2022 | Adopted Budget 2023 |
|---|---|---|---|---|---|
| Beginning fund balance | $ 549,077 | $ 255,315 | $ 496,379 | $ 496,379 | $ 333,542 |
| Revenues: | | | | | |
| TIF Property tax increment | 972,313 | 900,000 | 977,593 | 1,010,000 | 1,100,000 |
| Interest income | 307 | 500 | 2,080 | 4,000 | 4,000 |
| Total revenues | 972,620 | 900,500 | 979,673 | 1,014,000 | 1,104,000 |
| Total funds available | 1,521,697 | 1,155,815 | 1,476,052 | 1,510,379 | 1,437,542 |
| Expenditures: | | | | | |
| Principal - 2015 Bonds | 210,000 | 230,000 | - | 230,000 | 356,304 |
| Interest - 2015 Bonds | 318,500 | 308,000 | 154,000 | 308,000 | 296,500 |
| Interest - 2016 Bonds | 192,880 | 116,643 | - | 173,680 | 163,280 |
| Principal - 2016 Bonds | 240,000 | 180,000 | - | 400,000 | 300,000 |
| Paying agent fees | 6,000 | 7,250 | 3,500 | 6,000 | 6,000 |
| Transfer to General Fund | 53,076 | 53,607 | - | 53,607 | 54,143 |
| Miscellaneous expense | - | 500 | - | 500 | 500 |
| Treasurer fees | 4,862 | 4,500 | 4,888 | 5,050 | 5,500 |
| Total expenditures | 1,025,318 | 900,500 | 162,388 | 1,176,837 | 1,182,227 |
| Ending fund balance | $ 496,379 | $ 255,315 | $ 1,313,664 | $ 333,542 | $ 255,315 |
| Assessed Value (000's) | | 14,205,450 | | | 14,052,075 |
| TIF Increment | | 7,384,214 | | | 7,609,887 |
| Net AV | | 6,821,236 | | | 6,442,188 |
| Mill Levy | | - | | | - |
| Required reserve | 2015A Bonds | $ 255,315 | | 2015A Bonds | $ 255,315 |
| Surplus | 2015A Bonds | $ 200,000 | | 2015A Bonds | $ 200,000 |

I, Heather Kunckel, hereby certify that I am the duly appointed Secretary of the Cherry Creek Corporate Center Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Cherry Creek Corporate Center Metropolitan District held on December 6, 2022.

Heather Kunckel

Secretary