THIRD CREEK METROPOLITAN DISTRICT NO. 1
Adams County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Third Creek Metropolitan District No. 1
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Third Creek Metropolitan District No. 1 ("District"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information 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 provide any 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.

BiggsKofford, P.C.

Colorado Springs, Colorado
December 12, 2024

BASIC FINANCIAL STATEMENTS

THIRD CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments	$ 4,697
Cash and Investments - Restricted	21,067,279
Receivable from County Treasurer	79
Property Tax Receivable	6,249
Capital Assets:	
Capital Assets, Not Being Depreciated	1,467,425
Total Assets	22,545,729
LIABILITIES	
Accounts Payable	52,658
Due to Third Creek MD No. 2	339
Accrued Bonds Interest Payable	87,749
Noncurrent Liabilities:	
Due in More Than One Year	24,738,331
Total Liabilities	24,879,077
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	6,249
Total Deferred Inflows of Resources	6,249
NET POSITION	
Restricted for:	
Emergency Reserve	300
Debt Service	154,549
Capital Projects	862,778
Unrestricted	(3,357,224)
Total Net Position	$ (2,339,597)

See accompanying Notes to Basic Financial Statements.

THIRD CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

		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:					
Governmental Activities:					
General Government	$ 119,059	$ -	$ 5,009	$ -	$ (114,050)
Interest on Long-Term Debt and Related Costs	1,179,411	-	-	1,695	(1,177,716)
Total Governmental Activities	$ 1,298,470	$ -	$ 5,009	$ 1,695	(1,291,766)
GENERAL REVENUES					
Property Taxes					5,654
Specific Ownership Taxes					363
Interest Income					914,507
Other Revenue					50,640
Total General Revenues and Transfers					971,164
CHANGES IN NET POSITION					(320,602)
Net Position - Beginning of Year					(2,018,995)
NET POSITION - END OF YEAR					$ (2,339,597)

See accompanying Notes to Basic Financial Statements.

THIRD CREEK METROPOLITAN DISTRICT NO. 1
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	$ 4,697	$ -	$ -	$ 4,697
Cash and Investments - Restricted	300	3,593,132	17,473,847	21,067,279
Receivable from County Treasurer	54	25	-	79
Due from Other Funds	11,589	-	-	11,589
Property Tax Receivable	3,423	2,826	-	6,249
Total Assets	$ 20,063	$ 3,595,983	$ 17,473,847	$ 21,089,893
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 48,962	$ -	$ 3,696	$ 52,658
Due to Other Funds	-	-	11,589	11,589
Due to Third Creek MD No. 2	339	-	-	339
Total Liabilities	49,301	-	15,285	64,586
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	3,423	2,826	-	6,249
Total Deferred Inflows of Resources	3,423	2,826	-	6,249
FUND BALANCES				
Restricted for:				
Emergency Reserves	300	-	-	300
Debt Service	-	3,593,157	-	3,593,157
Capital Projects	-	-	17,458,562	17,458,562
Unassigned	(32,961)	-	-	(32,961)
Total Fund Balances	(32,661)	3,593,157	17,458,562	21,019,058
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 20,063	$ 3,595,983	$ 17,473,847	

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.	1,467,425
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Bonds Interest Payable	(87,749)
Bonds Payable - Series 2022A-1	(22,610,000)
Bonds Payable - Series 2022A-2	(1,955,983)
Bond Discount	73,430
Developer Advance and Accrued Interest Payable	(245,778)
Net Position of Governmental Activities	$ (2,339,597)

See accompanying Notes to Basic Financial Statements.

THIRD CREEK METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	$ 3,097	$ 2,557	$ -	$ 5,654
Specific Ownership Taxes	199	164	-	363
Interest Income	-	181,885	732,622	914,507
Other Revenue	-	-	50,640	50,640
Transfer from Third Creek MD No. 2	-	1,695	-	1,695
Transfer from Third Creek MD No. 3	5,009	-	-	5,009
Total Revenues	8,305	186,301	783,262	977,868
EXPENDITURES				
Current:				
Accounting	60,418	-	1,013	61,431
Auditing	4,650	-	-	4,650
County Treasurer's Fee	85	-	-	85
Directors' Fees	3,230	-	-	3,230
District Management	12,587	-	-	12,587
Dues And Membership	869	-	-	869
Election	1,467	-	-	1,467
Consulting	4,000	-	-	4,000
Insurance	5,211	-	-	5,211
Legal	11,187	-	-	11,187
Miscellaneous	70	-	-	70
Debt Service:				
Bonds Interest - Series 2022A-1	-	1,052,988	-	1,052,988
Paying Agent Fees	-	4,000	-	4,000
Capital Projects:				
Engineering - Capital Costs Certification	-	-	14,272	14,272
Capital Outlay Softcosts	-	-	277,260	277,260
Total Expenditures	103,774	1,056,988	292,545	1,453,307
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(95,469)	(870,687)	490,717	(475,439)
OTHER FINANCING SOURCES (USES)				
Developer Advance	59,894	-	277,260	337,154
Repay Developer Advance	-	-	(327,899)	(327,899)
Total Other Financing Sources (Uses)	59,894	-	(50,639)	9,255
NET CHANGE IN FUND BALANCES	(35,575)	(870,687)	440,078	(466,184)
Fund Balances - Beginning of Year	2,914	4,463,844	17,018,484	21,485,242
FUND BALANCES - END OF YEAR	$ (32,661)	$ 3,593,157	$ 17,458,562	$ 21,019,058

See accompanying Notes to Basic Financial Statements.

THIRD CREEK 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, 2023

Net Change in Fund Balances - Total Governmental Funds	$	(466,184)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.		
Capital Outlay - Current Year		277,260
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.		
Bonds Payable - Series 2022A-2 Accretion		(98,781)
Developer Advance		(337,154)
Repay Developer Advance		327,899
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		(20,167)
Amortization of Bond Discount		(3,475)
Changes in Net Position of Governmental Activities	$	(320,602)

See accompanying Notes to Basic Financial Statements.

THIRD CREEK METROPOLITAN DISTRICT NO. 1
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 3,097	$ 3,097	$ -
Specific Ownership Taxes	217	199	(18)
Transfer from Third Creek MD No. 3	6,510	5,009	(1,501)
Total Revenues	9,824	8,305	(1,519)
EXPENDITURES			
Accounting	55,000	60,418	(5,418)
Auditing	5,000	4,650	350
Contingency	5,953	-	5,953
County Treasurer's Fee	47	85	(38)
Directors' Fees	9,000	3,230	5,770
District Management	20,000	12,587	7,413
Dues And Membership	1,000	869	131
Election	5,000	1,467	3,533
Consulting	-	4,000	(4,000)
Insurance	9,000	5,211	3,789
Legal	65,000	11,187	53,813
Miscellaneous	-	70	(70)
Total Expenditures	175,000	103,774	71,226
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(165,176)	(95,469)	69,707
OTHER FINANCING SOURCES (USES)			
Developer Advance	165,376	59,894	(105,482)
Total Other Financing Sources (Uses)	165,376	59,894	(105,482)
NET CHANGE IN FUND BALANCE	200	(35,575)	(35,775)
Fund Balance - Beginning of Year	100	2,914	2,814
FUND BALANCE - END OF YEAR	$ 300	$ (32,661)	$ (32,961)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Third Creek Metropolitan District No. 1 (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court of Adams County on November 24, 2020, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised statutes). The District operates under a Service Plan approved by The City of Commerce City.

At an election of the eligible electors of the District on November 3, 2020, a majority of those qualified to vote voted in favor of certain ballot questions and issues authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the design, acquisition, installation, construction and completion of certain public improvements and services. Third Creek Metropolitan District Nos. 1-3 (the Districts) are expected to work together to provide for the acquisition, construction, and financing of the public improvements for the Third Creek development.

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.

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 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 as general revenues.

Separate financial statements are provided for the 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. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has 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 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 accounts for the resources accumulated and payments made for principal, interest, and other related costs on long-term general obligation debts of the District.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

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.

Interfund Balances

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds.

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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue,* is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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 or business- type 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

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

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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 balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2023. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2024.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and Investments	$ 4,697
Cash and Investments - Restricted	21,067,279
Total Cash and Investments	$ 21,071,976

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

Deposits with Financial Institutions	$ 9,387
Investments	21,062,589
Total Cash and Investments	$ 21,071,976

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, 2023, the District's cash deposits had a bank balance and a carrying balance of $9,387.

Investments

The District has adopted a formal investment policy whereby the District follows state statutes regarding investments.

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.

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)
As of December 31, 2023, the District had the following investments:

Investment	Maturity	Amount
Morgan Stanley Institutional Liquidity Fund- Treasury Securities Portfolio	Weighted-Average Under 90 Days	$ 21,062,589
Total		$ 21,062,589

Morgan Stanley Institutional Liquidity Fund

All funds deposited in the trust accounts at United Missouri Bank are invested in the Morgan Stanley Institutional Liquidity Fund Treasury Securities Portfolio. This portfolio is a money market fund that is managed by Morgan Stanley Investment Management and each share is equal in value to $1.00. The Fund is AAAm rated and invests exclusively in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury securities. The average maturity of the underlying securities is 90 days or less.

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2023:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 1,190,165	$ 277,260	$ -	$ 1,467,425
Governmental Activities Capital Assets, Net	$ 1,190,165	$ 277,260	$ -	$ 1,467,425

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, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2022A-1	$ 22,610,000	$ -	$ -	$ 22,610,000	$ -
Series 2022A-2	1,857,202	98,781	-	1,955,983	-
Bond Discount - Series 2022A-1	(76,905)	3,475	-	(73,430)	-
Subtotal Bonds Payable	24,390,297	102,256	-	24,492,553	-
Other Debts:					
Developer Advance - Operating	205,208	59,894	50,639	214,463	-
Developer Advance - Capital	-	277,260	277,260	-	-
Accrued Interest on:					
Developer Advance - Operating	11,148	20,167	-	31,315	-
Subtotal Other Debts	216,356	357,321	327,899	245,778	-
Total Long-Term Obligations	$ 24,606,653	$ 459,577	$ 327,899	$ 24,738,331	$ -

The details of the District's general obligation bonds outstanding are as follows:

Limited Tax General Obligation Bonds, Series 2022A-1 (the 2022A-1 Senior Bonds) and Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A-2 (the 2022A-2 Senior Bonds) (collectively, the Senior Bonds)

Bond Proceeds

The District issued the Senior Bonds on January 26, 2022, in the par amounts of $22,610,000 for the 2022A-1 Senior Bonds and $1,777,410 (value at issuance) and $2,285,000 (value at conversion date) for the 2022A-2 Senior Bonds.

Proceeds from the sale of the Senior Bonds were/will be used to (i) pay the costs of public improvements; (ii) fund capitalized interest on the 2022A-1 Senior Bonds; (iii) fund an initial deposit to the Surplus Fund; and (iv) pay the costs of issuance of the Senior Bonds.

2022A-1 Senior Bonds

The 2022A-1 Senior Bonds were issued as three term bonds that bear interest at rates of 4.50% and 4.75% per annum and are payable semiannually on June 1 and December 1, beginning on June 1, 2022. Annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2029. The 2022A-1 Senior Bonds have a final maturity of December 1, 2051.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2022A-1 (the 2022A-1 Senior Bonds) and Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A-2 (the 2022A-2 Senior Bonds) (collectively, the Senior Bonds) (Continued)

2022A-1 Senior Bonds (Continued)

To the extent principal of any 2022A-1 Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Senior Bonds Termination Date of December 1, 2061, and shall continue to bear interest at the rate then borne by the 2022A-1 Senior Bond. To the extent interest on any 2022A-1 Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date at the rate borne by the 2022A-1 Senior Bond.

If any amount of principal or interest due on the 2022A-1 Senior Bonds remains unpaid on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

2022A-2 Senior Bonds

The 2022A-2 Senior Bonds were issued as capital appreciation bonds that automatically convert to current interest bonds on December 1, 2026. Prior to conversion to current interest bonds, the 2022A-2 Senior Bonds do not pay current interest; instead, they accrete in value at an annual yield equal to 5.25%. The accreted amount compounds semiannually on each interest payment date (June 1 and December 1), beginning June 1, 2022, to and including December 1, 2026. Such accreted amount, together with the original principal amount of the 2022A-2 Senior Bonds, bears interest at the interest rate borne by the 2022A-2 Senior Bonds upon conversion to current interest bonds. The accreted principal balance at conversion to current interest bonds on December 1, 2026, will be $2,285,000. Upon conversion to current interest bonds, the 2022A-2 Senior Bonds will bear interest at a rate of 5.25%, payable semiannually on June 1 and December 1, commencing on June 1, 2027. Annual principal payments are due on December 1 of each year beginning December 1, 2030. The 2022A-2 Senior Bonds mature on December 1, 2051.

Pledge Agreement

For the purpose of generating the Senior Pledged Revenue, on January 1, 2022, the District and Third Creek Metropolitan District No. 2 (collectively with the District, the Taxing Districts) entered into a Capital Pledge Agreement (the Capital Pledge Agreement) pursuant to which each Taxing District has covenanted to levy the applicable Senior Required Mill Levy for the purpose of paying the Senior Bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2022A-1 (the 2022A-1 Senior Bonds) and Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A-2 (the 2022A-2 Senior Bonds) (collectively, the Senior Bonds) (Continued)

Pledge Agreement (Continued)

On and after conversion to current interest bonds, to the extent principal of any 2022A-2 Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Senior Bonds Termination Date and shall continue to bear interest at the rate then borne by the 2022A-2 Senior Bond. To the extent interest accrued on the accreted value of any 2022A-2 Senior bond after the conversion to current interest bonds is not paid when due, such unpaid interest shall compound semiannually on each interest payment date at the rate borne by the 2022A-2 Senior Bond.

If any amount of principal or interest due on the 2022A-2 Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

Optional Redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2027, 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:

Date of Redemption	Redemption Premium
March 1, 2027 to February 29, 2028	3.00%
March 1, 2028 to February 28, 2029	2.00
March 1, 2029 to February 28, 2030	1.00
March 1, 2030 and Thereafter	-

Senior Pledged Revenue

The Senior Bonds are payable solely from and to the extent of Senior Pledged Revenue which means: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; (c) all Senior PILOT Revenues (payment in lieu of taxes); and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Property Tax Revenues means all moneys derived from imposition by the Taxing Districts of the Senior Required Mill Levy and do not include Senior Specific Ownership Tax Revenues. Senior Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

Senior Specific Ownership Tax Revenues means the specific ownership taxes remitted to the Taxing Districts as a result of imposition by the Taxing Districts of the applicable Senior Required Mill Levy.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2022A-1 (the 2022A-1 Senior Bonds) and Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A-2 (the 2022A-2 Senior Bonds) (collectively, the Senior Bonds) (Continued)

Senior Required Mill Levy

Pursuant to the Capital Pledge Agreement, each Taxing District has covenanted to impose a Senior Required Mill Levy upon all taxable property in the respective Taxing District each year in an amount which maintains the Relative Required Mill Levy Ratio, and which generates Senior Property Tax Revenues and Senior PILOT Revenues that are sufficient to pay the Senor Bonds when due, but (i) not in excess of 30.000 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2019) for District No. 1 and not in excess of 55.277 mills (subject to adjustment) for District No. 2 (the respective “Maximum Required Mill Levy” for each Taxing District), and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than the Maximum Required Mill Levy applicable to each Taxing District (subject to adjustment), or such lesser mill levy which maintains the Relative Required Mill Levy Ratio and will pay the Senior Bonds when due and will fund the Surplus Fund up to the Maximum Surplus Amount.

Relative Required Mill Levy Ratio means the relationship of the Senior Required Mill Levies imposed by the Taxing Districts vis a vis each other represented by the ratio that would result assuming the imposition of 30 mills (as adjusted) by the District and 55.277 mills (as adjusted) by District No. 2.

Additional Security for the Senior Bonds

The 2022A-1 Senior Bonds are further secured by capitalized interest which was funded from proceeds of the 2022A-1 Senior Bonds in the amount of $3,158,963 and by amounts in the Surplus Fund (if any).

Except for an initial deposit of $2,137,000 from proceeds of the Senior Bonds, the Surplus Fund will be funded from deposits of annual Senior Pledged Revenue in excess of that needed to pay annual debt service (if any) up to the Maximum Surplus Amount of $4,877,482. Amounts on deposit in the Surplus Fund (if any) on the final maturity date of the Senior Bonds shall be applied to the payment of the Senior Bonds. Any amount on deposit in the Surplus Fund not applied to the payment of the Senior Bonds on the final maturity date shall be released to the District for application to any lawful purpose.

As of December 31, 2023, the balance in the capitalized interest account is $1,339,488 and the balance in the Surplus Fund is $2,249,254.

Events of Default

Events of default occur if the District fails or refuses to impose the applicable Senior Required Mill Levy or apply the Pledged Revenue as required by the Indenture, or any other Taxing District fails or refuses to impose the applicable Senior Required Mill Levy or to apply the revenues resulting therefrom as required by the Senior Pledge Agreement; and does not comply with other customary terms and conditions under normal municipal financing as described in the Indenture.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2022A-1 (the 2022A-1 Senior Bonds) and Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A-2 (the 2022A-2 Senior Bonds) (collectively, the Senior Bonds) (Continued)

2022A-1 Senior Bonds Debt Service

The outstanding principal and interest on the 2022A-1 Senior Bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ -	$ 1,052,988	$ 1,052,988
2025	-	1,052,988	1,052,988
2026	-	1,052,988	1,052,988
2027	-	1,052,988	1,052,988
2028	-	1,052,988	1,052,988
2029-2033	1,335,000	5,203,740	6,538,740
2034-2038	3,415,000	4,678,138	8,093,138
2039-2043	4,695,000	3,799,513	8,494,513
2044-2048	6,385,000	2,556,213	8,941,213
2049-2051	6,780,000	745,988	7,525,988
Total	$ 22,610,000	$ 22,248,530	$ 44,858,530

2022A-2 Senior Bonds Debt Service

The outstanding principal and interest on the 2022A-2 Senior Bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ -	$ -	$ -
2025	-	-	-
2026	-	-	-
2027	-	119,963	119,963
2028	-	119,963	119,963
2029-2033	110,000	594,827	704,827
2034-2038	335,000	537,865	872,865
2039-2043	480,000	436,538	916,538
2044-2048	665,000	292,426	957,426
2049-2051	695,000	83,468	778,468
Total	$ 2,285,000	$ 2,185,050	$ 4,470,050

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 3, 2020	Authorization Used		Authorized But Unused
		Series 2022A-1 Bonds	Series 2022A-2 Bonds	
Street Improvements	$ 60,831,000	$ 2,704,772	$ -	$ 58,126,228
Park and Recreation	60,831,000	2,704,772	-	58,126,228
Water Supply	60,831,000	2,704,772	-	58,126,228
Sanitary Sewer	60,831,000	2,704,772	-	58,126,228
Transportation	60,831,000	2,704,772	-	58,126,228
Mosquito Control	1,000,000	44,463	-	955,537
Safety Protection	60,831,000	2,704,772	-	58,126,228
Fire Protection	60,831,000	2,704,772	-	58,126,228
TV Relay and Translation	60,831,000	2,704,772	-	58,126,228
Security	60,831,000	2,704,772	-	58,126,228
Operations and Maintenance	60,831,000	-	-	60,831,000
District IGAs	60,831,000	-	-	60,831,000
Reimbursement Agreements	60,831,000	-	-	60,831,000
Construction Mgmt Agreement	60,831,000	-	-	60,831,000
Debt Refunding	122,000,000	-	-	122,000,000
Total	$ 913,803,000	$ 24,387,411	$ -	$ 889,415,589

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $60,831,000.

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes 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. As of December 31, 2023, the District had restricted net position of $300 for TABOR/emergency reserves, $154,549 for debt service and $862,778 for capital projects.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the calculation of net investment in capital assets and the restricted components of net position. As of December 31, 2023, the District had a deficit in unrestricted net position, mainly due to the Senior Bonds’ issuance costs and interest paid to date.

NOTE 7 AGREEMENTS

Intergovernmental Agreement Concerning District Operations

On January 28, 2021, the District, Third Creek Metropolitan District No. 2 (District No. 2), and Third Creek Metropolitan District No. 3 (District No. 3), entered into an Intergovernmental Agreement Concerning District Operations ("Operations IGA"). The purpose of the Operations IGA is to establish the respective obligations of the Districts with respect to the provision and funding of administrative services for the Districts and the operation and maintenance of public improvements owned by the Districts. Pursuant to the Operations IGA, District Nos. 2 and 3 engaged the District as "operator" of the public improvements owned by the Districts and as "district administrator."

On October 27, 2022, the District, District No. 2, and District No. 3, entered into a Partial Termination of Intergovernmental Agreement Concerning District Operations (the "Partial Termination Agreement). The Partial Termination Agreement removed District No. 2 and eliminated the obligation of the District to provide operation and maintenance and administrative services on behalf of District No. 2. District No. 2 agreed to reimburse District No. 1 $58,465, which amount represents District No. 2's proportionate share of administrative and operating costs incurred by District No. 1 as of the Effective Date (the District No. 2 O&M Share). The District No. 2 O&M Share was paid to the District in satisfaction of the Partial Termination Agreement in 2023, with $15,730 paid by the new developer of District No. 2 (Lennar) and $42,735 paid by the former developer of District No. 2 (Cowley).

Intergovernmental Agreement with the City of Commerce City

On January 28, 2021, City of Commerce City (the "City) and the Districts entered into an Intergovernmental Agreement Regarding the Service Plan for the Districts (the City IGA). The City IGA generally requires the Districts to design and construct all public improvements in accordance with standard specifications of the City and other governmental entities having proper jurisdiction and dedicate all public improvements to the City or other appropriate jurisdiction upon completion. The City IGA limits total indebtedness of the Districts to $60,831,000.

Improvement Acquisition, Advance, and Reimbursement Agreement - Cowley

On January 28, 2021, with an effective date of as of October 6, 2021, the District and Cowley Management, LLC (Cowley) entered into an Improvement Acquisition, Advance, and Reimbursement Agreement (Cowley Reimbursement Agreement) to provide for the financing and repayment of costs associated with the acquisition and construction of public infrastructure within the District's service area. The District agreed to repay Cowley for costs associated with public improvements constructed by Cowley, and for advances made to the District for the construction of public improvements by the District, from the proceeds of bonds issued by the District, in an amount not to exceed $2,200,000 (the maximum principal amount) together with simple interest at the rate of 2% plus the current Federal Reserve Board Prime Rate, or 6%, whichever is greater. Amounts advanced or expended are secured by a subordinate note with a maturity date of October 5, 2061(the "2021 Note") which may be refunded annually. The Cowley Reimbursement Agreement provides that the District's repayment obligations thereunder and pursuant to any subordinate note issued thereunder are subject to the annual appropriation of funds by the District.

NOTE 7 AGREEMENTS (CONTINUED)

Improvement Acquisition, Advance, and Reimbursement Agreement – Cowley (Continued)

On October 28, 2021, the District and Cowley entered into a First Amendment to the Cowley Reimbursement Agreement for purposes of extending the funding obligation term through December 31, 2022. The District's repayment obligation to Cowley survives until Cowley is repaid in full, provided that the District's repayment obligation shall terminate on October 5, 2061, even if a portion of the maximum principal amount remains outstanding. As of December 31, 2023, there were no outstanding advances under the Cowley Reimbursement Agreement.

On October 27, 2022, the District and Cowley entered into an Amended and Restated Improvement, Acquisition, Advance, and Reimbursement Agreement (Amended Agreement) for the purpose of consolidating all understandings and commitments between the District and Cowley relating to the funding and repayment of costs associated with the acquisition and construction of public improvements and represents a refunding of the Cowley Reimbursement Agreement dated January 28, 2021 as amended by the First Amendment to the Cowley Reimbursement Agreement dated October 28, 2021. All amounts outstanding on the 2021 Note were paid in full with a portion of the proceeds from the issuance of the District's Limited Tax General Obligation Bonds, Series 2022A-1, and General Obligation Convertible Capital Appreciation Bonds, Series 2022A-2 on January 26, 2022. A First Amendment will take place in 2024 as a result of board action on October 31, 2024.

The District agreed to repay Cowley for costs associated with public improvements constructed by Cowley, and for advances made to the District for the construction of public improvements by the District from the proceeds of the bonds issued by the District. In the event that proceeds of the bonds or other legally available funds are not sufficient sources to repay Cowley, the District shall evidence its obligation to repay Cowley with a Subordinate Note with a maturity date not to exceed 40 years from the date of issuance. The subordinate note shall bear simple interest at an interest rate to be determined by the District and Cowley at the time of issuance, but such interest rate will not exceed the limit now imposed by the usury laws of the State of Colorado. The subordinate note is subject to the annual appropriation of funds by the District.

Funding and Reimbursement Agreement

On January 28, 2021 with an effective date of October 6, 2021, the District entered into a Funding and Reimbursement Agreement (Operations Agreement) with Cowley pursuant to which Cowley agreed to provide funding to the District for the purpose of assisting with the provision of general administrative and operating functions of the Districts, with the expectation of reimbursement therefore in an amount not to exceed $50,000 (the maximum principal amount). The District agreed to make reimbursements to Cowley for all advances provided thereunder together with simple interest at the rate of 2% plus the current Federal Reserve Board Prime Rate, or 6%, whichever is greater. Advanced amounts are secured by a subordinate note with a maturity date of October 5, 2061, which may be refunded annually. The Operations Agreement provides that the District's repayment obligations thereunder and pursuant to any subordinate note issued thereunder are subject to the annual appropriation of funds by the District.

NOTE 7 AGREEMENTS (CONTINUED)

Funding and Reimbursement Agreement (Continued)

On October 28, 2021, the District and Cowley entered into a First Amendment to the Operations Agreement for purposes of extending the funding obligation term through December 31, 2022 and increasing the amount to be advanced to the District to $450,000 (maximum principal amount) and in connection therewith the District issued a subordinate note to Cowley, which refunded the subordinate note issued pursuant to the Operations Agreement. The District's repayment obligation to Cowley survives until Cowley is repaid in full, provided that the District's repayment obligation shall terminate on October 5, 2061, even if a portion of the maximum principal amount remains outstanding

On October 27, 2022, the District and Cowley entered into a 2022 Funding and Reimbursement Agreement for purposes of extending the funding obligation term through December 31, 2023, maintaining the maximum principal amount to be advanced to the District of $450,000, and the refunding of the Operations Agreement, as amended, and promissory note issued thereunder. In connection therewith the District issued a subordinate promissory note to Cowley. On October 26, 2023, the District and Cowley entered into a First Amendment to 2022 Funding and Reimbursement Agreement for purposes of extending the funding obligation term to through December 31, 2024. A Second Amendment will take place in 2024 as a result of board action on October 31, 2024. As of December 31, 2023, outstanding advances under the Operations Agreement totaled $214,463 and accrued interest totaled $31,315.

Intergovernmental Agreement with General Improvement Districts

On November 18, 2021, the District entered into an Intergovernmental Agreement for the Construction of Third Creek West Regional Improvements (the GID Agreement) with the City, the Commerce City E-470 Commercial Area General Improvement District (the Commercial Area GID), and the Commerce City E-470 Residential Area General Improvement District (the Residential Area GID, and together with the Commercial Area GID, the GIDs). The GIDs have committed to fund certain regional improvements needed to serve development east of the E-470 public highway in the City's current boundary and its future growth area (the GID Project). Pursuant to the GID Agreement, the District will be responsible for the design and construction of the GID Project, subject to certain reimbursements from the GIDs pursuant to the GID Agreement. The GID Agreement was amended on August 19, 2022, to amend the dates of substantial completion for the GID Project to December 31, 2025 and final acceptance to December 31, 2026. The maximum amount reimbursable to the District by the Commercial GID is $7,000,000, and the maximum amount reimbursable to the District by the Residential GID is $6,800,000. The estimated total cost to complete the GID Project is $16,555,340 and the District is obligated to fund any costs in excess of the maximum amounts contributed by the GIDs.

NOTE 7 AGREEMENTS (CONTINUED)

Improvement Acquisition and Reimbursement Agreement - Lennar

On May 6, 2022, the District, District No. 2, Cowley, and Lennar Colorado, LLC (Lennar) entered into an Improvement Acquisition and Reimbursement Agreement (Lennar Reimbursement Agreement) to provide for the financing and repayment of costs associated with the acquisition and construction of regional offsite public infrastructure generally comprising the GID Project (as defined above) (Offsites) and onsite public infrastructure serving the property within District No. 2 (Onsites). Lennar agreed to fund construction of the Onsites not to exceed $20,000,000 and further agreed to fund the Offsites in accordance with the Agreement Concerning Construction of Offsite Public Improvements, with a funding obligation term extending through December 31, 2030. The District agreed to repay Lennar for eligible costs expended by Lennar in connection with the Onsites and the Offsites from moneys received from the GIDs pursuant to the GID Agreement and, as to the Onsites, other available revenues of the Districts.

The District's repayment obligations are secured by two subordinate notes, including one issued to Lennar concerning the Offsites, which subordinate note accrues interest at the rate of 8%, and one to Cowley (as assigned by Lennar pursuant to the Lennar Reimbursement Agreement), which does not accrue interest. The subordinate notes both have a maturity date of May 5, 2062. The Lennar Reimbursement Agreement provides that the District's repayment obligations thereunder and pursuant to any subordinate note issued thereunder are subject to the annual appropriation of funds by the District.

The District's repayment obligations to Lennar and Cowley survive until expenditures are repaid in full or sooner discharged, provided that the District's repayment obligation shall terminate 40 years after the execution of the Lennar Reimbursement Agreement, even if a portion of reimbursable costs remain outstanding.

Agreement Concerning Construction of Offsite Public Improvements

On May 6, 2022, the District, District No. 2, and Lennar (the Parties) entered into an Agreement concerning Construction of Offsite Public Improvements pursuant to which District No. 2 agreed to construct certain regional, off-site improvements generally comprising the GID Project (as defined above) in accordance with the GID Agreement. The District agreed to deposit in escrow funds equal to the selected construction and construction management bid, together with a contingency, not to exceed $16,500,000. If the District's funding amount is insufficient to cover the project costs, Lennar agreed to deposit the overage into the escrow. Funds deposited by the District and Lennar must be used to pay project costs. Lennar is entitled to be reimbursed for its funding contribution pursuant to the Lennar Reimbursement. On March 15, 2023, the Parties entered into the First Amendment to Agreement Concerning Construction of Offsite Public Improvements for purposes of reflecting current construction plans.

NOTE 8 RELATED PARTIES

The property within the District is being developed by Cowley Management LLC, an Arizona limited liability company (the Developer). The members of the Board of Directors of the District may have conflicts of interest in dealing with the District.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or 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.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATION

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

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

On November 3, 2020, the District's electors authorized the District to collect and spend revenues without regard to any spending, revenue raising, or other limitations contained within TABOR.

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.

SUPPLEMENTARY INFORMATION

THIRD CREEK METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 2,557	$ 2,557	$ -
Specific Ownership Taxes	179	164	(15)
Interest Income	80,000	181,885	101,885
Transfer from Third Creek MD No. 2	2,109	1,695	(414)
Total Revenues	84,845	186,301	101,456
EXPENDITURES			
Paying Agent Fees	2,000	4,000	(2,000)
Bonds Interest - Series 2022A-1	1,052,988	1,052,988	-
Contingency	5,012	-	5,012
Total Expenditures	1,060,000	1,056,988	3,012
NET CHANGE IN FUND BALANCE	(975,155)	(870,687)	104,468
Fund Balance - Beginning of Year	4,458,264	4,463,844	5,580
FUND BALANCE - END OF YEAR	$ 3,483,109	$ 3,593,157	$ 110,048

THIRD CREEK METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 145,000	$ 732,622	$ 587,622
Other Revenue	-	50,640	50,640
Total Revenues	145,000	783,262	638,262
EXPENDITURES			
Accounting	20,000	1,013	18,987
Legal	20,000	-	20,000
Engineering - Capital Costs Certification	40,000	14,272	25,728
Capital Outlay Onsite Improvements	5,000,000	-	5,000,000
Capital Outlay Softcosts	-	277,260	(277,260)
Transfers to Third Creek MD No. 2	25,271,587	-	25,271,587
Contingency	1,294,940	-	1,294,940
Total Expenditures	31,646,527	292,545	31,353,982
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,501,527)	490,717	31,992,244
OTHER FINANCING SOURCES (USES)			
Lennar Onsite Advance	5,000,000	-	(5,000,000)
Lennar Offsite Advance	11,525,899	-	(11,525,899)
Developer Advance	-	277,260	277,260
Repay Developer Advance	-	(327,899)	(327,899)
Total Other Financing Sources (Uses)	16,525,899	(50,639)	(16,576,538)
NET CHANGE IN FUND BALANCE	(14,975,628)	440,078	15,415,706
Fund Balance - Beginning of Year	14,975,628	17,018,484	2,042,856
FUND BALANCE - END OF YEAR	$ -	$ 17,458,562	$ 17,458,562

OTHER INFORMATION

THIRD CREEK METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023

Bonds and Interest Maturing in the Year Ending December 31,	$22,610,000 General Obligation Refunding and Improvement Bonds Dated January 26, 2022 Series 2022A-1 Interest Rates Ranging from 4.50% to 4.75% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2024	$ -	$ 1,052,988	$ 1,052,988
2025	-	1,052,988	1,052,988
2026	-	1,052,988	1,052,988
2027	-	1,052,988	1,052,988
2028	-	1,052,988	1,052,988
2029	15,000	1,052,988	1,067,988
2030	155,000	1,052,313	1,207,313
2031	185,000	1,045,338	1,230,338
2032	465,000	1,037,013	1,502,013
2033	515,000	1,016,088	1,531,088
2034	600,000	992,913	1,592,913
2035	625,000	965,913	1,590,913
2036	685,000	937,788	1,622,788
2037	720,000	906,963	1,626,963
2038	785,000	874,563	1,659,563
2039	820,000	839,238	1,659,238
2040	890,000	802,338	1,692,338
2041	930,000	762,288	1,692,288
2042	1,005,000	720,438	1,725,438
2043	1,050,000	675,213	1,725,213
2044	1,135,000	625,338	1,760,338
2045	1,190,000	571,425	1,761,425
2046	1,280,000	514,900	1,794,900
2047	1,340,000	454,100	1,794,100
2048	1,440,000	390,450	1,830,450
2049	1,510,000	322,050	1,832,050
2050	1,615,000	250,325	1,865,325
2051	3,655,000	173,613	3,828,613
Total	$ 22,610,000	$ 22,248,530	$ 44,858,530

THIRD CREEK METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2023

Bonds and Interest Maturing in the Year Ending December 31,	$1,777,410 (Value at Issuance) $2,285,000 (Value at Current Interest Conversion Date) Limited Tax General Obligation Convertible Capital Appreciation Bonds Series 2022A-2 Issued on January 26, 2022 Accretion and Interest Rate: 5.25% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2024	$ -	$ -	$ -
2025	-	-	-
2026	-	-	-
2027	-	119,963	119,963
2028	-	119,963	119,963
2029	-	119,963	119,963
2030	10,000	119,963	129,963
2031	10,000	119,438	129,438
2032	45,000	118,913	163,913
2033	45,000	116,550	161,550
2034	60,000	114,188	174,188
2035	60,000	111,038	171,038
2036	70,000	107,888	177,888
2037	70,000	104,213	174,213
2038	75,000	100,538	175,538
2039	80,000	96,600	176,600
2040	90,000	92,400	182,400
2041	95,000	87,675	182,675
2042	105,000	82,688	187,688
2043	110,000	77,175	187,175
2044	115,000	71,400	186,400
2045	120,000	65,363	185,363
2046	135,000	59,063	194,063
2047	140,000	51,975	191,975
2048	155,000	44,625	199,625
2049	160,000	36,488	196,488
2050	175,000	28,088	203,088
2051	360,000	18,892	378,892
Total	$ 2,285,000	$ 2,185,050	$ 4,470,050

THIRD CREEK METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023

Collection Year Ended December 31,	Assessed Valuation	Total Mills Levied: General Operations	Debt Service	Total	Total Property Taxes: Levied	Collected	Percent Collected to Levied
2022	$ 740	66.796	-	66.796	$ 49	$ 49	100.00 %
2023	85,160	36.362	30.023	66.385	5,654	5,654	100.00 %
Estimated for Year Ending December 31, 2024	$ 90,600	37.781	31.195	68.976	$ 6,249		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Adams County Assessor and Treasurer.