PRAIRIE POINT COMMUNITY AUTHORITY BOARD
City of Aurora,
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

PRAIRIE POINT COMMUNITY AUTHORITY BOARD
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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Prairie Point Community Authority Board
Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Prairie Point Community Authority Board ("Authority"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority'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 Authority 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 Authority 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 Authority'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

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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 Authority'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 Authority'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 Authority'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.

BiggsKofford, P.C.

Colorado Springs, Colorado
September 23, 2024

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BASIC FINANCIAL STATEMENTS

PRAIRIE POINT COMMUNITY AUTHORITY BOARD
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	$ 224,078
Prepaid Insurance	14,256
Due from Other Districts - Prairie Point MD 1-3	1,091
Capital Assets:	
Capital Assets Not Being Depreciated	2,860,315
Total Assets	3,099,740
LIABILITIES	
Accounts Payable	207,139
Private Pay Deposit	42,243
Noncurrent Liabilities:	
Due in More Than One Year	4,821,802
Total Liabilities	5,071,184
NET POSITION	
Restricted for:	
Emergency Reserve	100
Unrestricted	(1,971,544)
Total Net Position	$ (1,971,444)

See accompanying Notes to Basic Financial Statements.

PRAIRIE POINT COMMUNITY AUTHORITY BOARD
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 347,095	$ -	$ 2,941	$ -	$ (344,154)
Interest on Long-Term Debt and Related Costs	263,025	-	-	-	(263,025)
Total Governmental Activities	$ 610,120	$ -	$ 2,941	$ -	(607,179)
GENERAL REVENUES					
Total General Revenues and Transfers					-
CHANGES IN NET POSITION					(607,179)
Net Position - Beginning of Year					(1,364,265)
NET POSITION - END OF YEAR					$ (1,971,444)

See accompanying Notes to Basic Financial Statements.

PRAIRIE POINT COMMUNITY AUTHORITY BOARD
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	$ -	$ -	$ 224,078	$ 224,078
Due from Other Districts - Prairie Point MD 1-3	1,091	-	-	1,091
Prepaid Insurance	14,256	-	-	14,256
Total Assets	$ 15,347	$ -	$ 224,078	$ 239,425
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 14,421	$ -	$ 192,718	$ 207,139
Private Pay Deposit	-	-	42,243	42,243
Total Liabilities	14,421	-	234,961	249,382
FUND BALANCES				
Nonspendable:				
Prepaid Expense	14,256	-	-	14,256
Restricted for:				
Emergency Reserves	100	-	-	100
Capital Projects	-	-	(10,883)	(10,883)
Unassigned	(13,430)	-	-	(13,430)
Total Fund Balances	926	-	(10,883)	(9,957)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 15,347	$ -	$ 224,078	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, Not Being Depreciated	2,860,315
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest	(522,741)
Developer Advance Payable	(4,299,061)
Net Position of Governmental Activities	$ (1,971,444)

See accompanying Notes to Basic Financial Statements.

PRAIRIE POINT COMMUNITY AUTHORITY BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Intergovernmental Revenues - Prairie Point Md 1-3	$ 2,941	$ -	$ -	$ 2,941
Total Revenues	2,941	-	-	2,941
EXPENDITURES				
Current:				
Accounting	51,652	-	1,377	53,029
Auditing	4,650	-	-	4,650
District Management	22,747	-	-	22,747
Dues and Membership	1,089	-	-	1,089
Election	3,036	-	-	3,036
Engineering	-	-	31,186	31,186
Insurance	10,747	-	-	10,747
Legal	63,287	-	188,207	251,494
Miscellaneous	303	-	-	303
Bond Issue Costs	-	-	72,294	72,294
Capital Projects:				
Capital Outlay	-	-	1,161,834	1,161,834
Total Expenditures	157,511	-	1,454,898	1,612,409
EXCESS OF REVENUES UNDER EXPENDITURES	(154,570)	-	(1,454,898)	(1,609,468)
OTHER FINANCING SOURCES (USES)				
Developer Advance	172,862	-	1,535,529	1,708,391
Total Other Financing Sources	172,862	-	1,535,529	1,708,391
NET CHANGE IN FUND BALANCES	18,292	-	80,631	98,923
Fund Balances - Beginning of Year	(17,366)	-	(91,514)	(108,880)
FUND BALANCES - END OF YEAR	$ 926	$ -	$ (10,883)	$ (9,957)

See accompanying Notes to Basic Financial Statements.

PRAIRIE POINT COMMUNITY AUTHORITY BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Total Governmental Funds	$	98,923
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		1,193,020
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.		
Developer Advance		(1,708,391)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued Interest Payable - Change in Liability		(190,731)
Changes in Net Position of Governmental Activities	$	(607,179)

See accompanying Notes to Basic Financial Statements.

PRAIRIE POINT COMMUNITY AUTHORITY BOARD
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues - Prairie Point Md 1-3	$ 2,815	$ 2,941	$ 126
Total Revenues	2,815	2,941	126
EXPENDITURES			
Accounting	26,000	51,652	(25,652)
Auditing	-	4,650	(4,650)
Contingency	18,000	-	18,000
District Management	15,000	22,747	(7,747)
Dues and Membership	3,000	1,089	1,911
Election	3,000	3,036	(36)
Insurance	20,000	10,747	9,253
Legal	75,000	63,287	11,713
Miscellaneous	-	303	(303)
Total Expenditures	160,000	157,511	2,489
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(157,185)	(154,570)	2,615
OTHER FINANCING SOURCES (USES)			
Developer Advance	157,185	172,862	15,677
Total Other Financing Sources	157,185	172,862	15,677
NET CHANGE IN FUND BALANCE	-	18,292	18,292
Fund Balance - Beginning of Year	100	(17,366)	(17,466)
FUND BALANCE - END OF YEAR	$ 100	$ 926	$ 826

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Prairie Point Community Authority Board (the "CAB"; formerly Kings Point Community Authority Board), a public corporation and political subdivision of the state of Colorado, was formed pursuant to the Third Amended and Restated Prairie Point Community Authority Board Establishment Agreement originally dated September 16, 2021, as amended and restated June 6, 2022, August 3, 2023 and May 2, 2024 (the "Establishment Agreement" or "CABEA") by and between the CAB and Prairie Point Metropolitan District No. 1 ("District No. 1"; formerly Kings Point Metropolitan District No. 1), Prairie Point Metropolitan District No. 2 ("District No. 2"; formerly Kings Point Metropolitan District No. 2), and Prairie Point Metropolitan District No. 3 ("District No. 3"; formerly Kings Point Metropolitan District No. 3) (collectively, "Districts" or "CAB Districts"). The CAB's service area is equal to that of the Districts and is located in Arapahoe County, Colorado, entirely within the City of Aurora (the "City"). The CAB was established to plan for, design and construct, furnish, own, operate, and maintain the public improvements and shall provide services authorized by the Service Plans of the Districts. Each of the CAB Districts will contribute to the costs of construction, operation, and maintenance of such public improvements from such respective CAB District's taxes and fees.

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

The CAB 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 CAB 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 CAB. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CAB considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The CAB does not currently have a major source of revenue subject to accrual. All other revenue items are considered to be measurable and available only when cash is received by the CAB. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The CAB reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the CAB'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 financial uses level and lapses at year-end. The CAB'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 CAB amended its annual budget for the year ended December 31, 2023.

Pooled Cash and Investments

The CAB 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. During 2021, the CAB's cash needs were provided by District No. 1 on behalf of the CAB, received cash advances from the Developer (defined below) and expended same at the CAB's direction. The CAB has, or will, accept the obligation to reimburse the Developer pursuant to one or more funding agreements with the Developer.

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 column in the government-wide financial statements. Capital assets are defined by the CAB 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.

The CAB does not depreciate its Construction in Progress capital assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

Deficits

The Capital Project 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 financials statements as follows:

Statement of Net Position:	
Cash and Investments - Restricted	$ 224,078
Total Cash and Investments	$ 224,078

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

Deposits with Financial Institutions	$ 224,078
Total Cash and Investments	$ 224,078

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 CAB's cash deposits had a bank balance and carrying balance of $224,078.

Investments

The District has not adopted a formal investment policy; however, 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:

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

- 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

The CAB does not have investments as of December 31, 2023.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 1,667,295	$ 1,193,020	$ -	$ 2,860,315
Governmental Activities Capital Assets, Net	$ 1,667,295	$ 1,193,020	$ -	$ 2,860,315

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2023:

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Long-Term Obligations:					
Notes/Loans/Bonds from Direct Borrowings and Direct Placements					
Developer Advance - Clayton Operating	$ 696,751	$ 172,862	$ -	$ 869,613	$ -
Developer Advance - Capital	1,893,919	1,535,529	-	3,429,448	-
Accrued Interest on:					
Accrued Interest - Clayton Operating	254,510	36,667	-	291,177	-
Accrued Interest - Capital	77,500	154,064	-	231,564	-
Total Long-Term Obligations	$ 2,922,680	$ 1,899,122	$ -	$ 4,821,802	$ -

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

Developer Advances

Multiple-Year Operation Funding Agreement

On October 6, 2022, the CAB entered into a Multiple-Year Operation Funding Agreement (OFA) with the Developer. Pursuant thereto, the Developer is obligated to advance certain funds, as needed through 2027, to the CAB to pay management, operating, and administrative expenses. Additionally, the CAB assumed those obligations under the prior OFAs (as defined therein) to reimburse the Developer for amounts owed by District No. 1 to Kings Point Development Company, LLC (Former Developer), from which the Developer purchased the property, as well as amounts owed by District No. 1 to the Developer.

The CAB agreed to repay the Developer with 6% simple interest per annum from the date of each advance or, in the event the Developer paid management, operating, or administrative expenses directly to a third party, such costs bear said interest from the date paid. The OFA evidences an intent to reimburse the Developer as provided thereunder and does not constitute debt or indebtedness of the CAB within the meaning of any constitutional or statutory provision, nor does it constitute a multiple fiscal year obligation, and the making of any reimbursement thereunder is subject to annual appropriation by the CAB.

As of December 31, 2023, outstanding operating developer advances totaled $1,160,790 consisting of $869,613 of principal and $291,177 of accrued interest.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

First Amended and Restated Facilities Funding and Acquisition Agreement

On November 3, 2022, the CAB entered into an Amended and Restated Facilities Funding and Acquisition Agreement (FFAA) with the Developer, with an effective date of September 23, 2021. Thereunder, the Developer is obligated to advance certain funds to the CAB to pay Construction Related Expenses (as defined therein) or acquire Improvements (as defined therein). Additionally, the CAB assumed the obligation to (i) reimburse the Developer for amounts owed by District No. 1 to the Former Developer under the KPDC FFAA (as defined therein), and (ii) reimburse the Developer for amounts owed to the Developer under the Clayton/District No. 1 FFAA (as defined therein). The CAB entered into a Second Amended and Restated Facilities Funding Agreement with the Developer on June 6, 2024, with an effective date of September 23, 2021, and entered into a Third Amended and Restated Facilities Funding Agreement with the Developer on September 5, 2024, with an effective date of September 23, 2021.

The CAB agreed to repay the Developer with 6% simple interest per annum from the date of each advance, or from the date any Verified Costs (as defined therein) were incurred by the Developer, or from the date any Prior Capital Costs (as defined therein) were incurred by the Developer. The FFAA evidences an intent to reimburse the Developer as provided thereunder and does not constitute debt or indebtedness of the CAB within the meaning of any constitutional or statutory provision, nor does it constitute a multiple fiscal year obligation for the purposes of Article X, Section 20 of the Colorado Constitution, and the making of any reimbursement thereunder is subject to annual appropriation by the CAB.

Funds advanced pursuant to the 2021 OFA and the FFAA were received and paid out by District No. 1 on behalf of the CAB, and CAB has accepted the obligation to reimburse the Developer pursuant to the terms of the 2021 OFA and FFAA, respectively.

As of December 31, 2023, outstanding operating developer advances totaled $3,661,012 consisting of $3,429,448 of principal and $231,564 of accrued interest.

Contractual Agreements

Amended and Restated Cost Sharing Agreement

On November 4, 2021, and amended on October 6, 2022, the CAB and the Developer entered into a Cost Sharing Agreement whereby each of the parties acknowledged and agreed that it is efficient, and to their respective benefit, to coordinate the planning and designing, etc., of certain Public Improvements (as defined therein) and Private Improvements (as defined therein), which together generally constitute the Project (as defined therein). Thereunder, the CAB agreed to engage various consultants and engineers, etc., to coordinate and otherwise complete the planning and designing, etc., of the Project; however, in coordination with the Developer as it relates to the Private Improvements. Pursuant to the terms thereunder, the Developer agreed to fund, and not be reimbursed for, any costs related to the Private Improvements.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Contractual Agreements (Continued)

Mill Levy Policy Agreement

On October 19, 2021, the CAB and the CAB Districts entered into a Mill Levy Policy Agreement whereby the CAB Districts acknowledged that the CAB was formed for purposes of, and that the CAB Districts will benefit from, inter alia, the CAB coordinating certain services on behalf the CAB Districts pursuant to their Service Plans (as defined therein), including, without limitation, issuing the Debt (as defined therein). Thereunder, the CAB Districts agreed to contribute to the repayment of the Debt. Nevertheless, the Debt (as defined therein) did not issue.

Maintenance Operations and Programming IGA

On August 1, 2024, the CAB and the Prairie Point Community Amenities and Maintenance Authority (the CAMA) entered into a Maintenance Operations and Programing Intergovernmental Agreement.

Authorized Debt

Each of the CAB Districts has authorized, through the affirmative vote of their respective voting electors, the issuance of debt, fiscal year spending, Multiple-Fiscal Year Financial Obligations, revenue collections, and other constitutional matters requiring voter approval for purposes of the Establishment Agreement, as well as the construction of the public improvements, in accordance with the law and pursuant to due notice.

In the future, the CAB may issue a portion or all of the District's remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the CAB's service area.

The CAB anticipates issuing general obligation debt in the year ending December 31, 2024 as set forth in the budget for the year ending December 31, 2024.

NOTE 6 NET POSITION

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

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The CAB had restricted net position as of December 31, 2023, as follows:

Restricted Net Position:		
Emergencies	$	100
Total Restricted Net Position	$	100

The CAB has a deficit in unrestricted net position. This deficit amount is the result of the CAB being responsible for the financing and repayment of developer advances for the construction of public improvements, which are anticipated to be dedicated to other governmental entities for ownership and maintenance.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the CAB Districts' representation, is Clayton Properties Group, Inc., a Tennessee Corporation, doing business as Oakwood Homes, formerly known as Clayton Properties Group II, Inc., a Colorado Corporation (the Developer). The members of the Board of Directors are officers of, employees of, or associated with the Developer and may have conflicts of interest in dealing with the CAB and the CAB Districts.

On September 7, 2023, the CAB entered into a Construction Consulting and Management Services Agreement with the Developer wherein the CAB may procure certain construction consulting services and construction management services from the Developer. As of December 31, 2023, no expenses have been incurred related to this agreement.

On February 8, 2024, the CAB entered into a Real Estate Purchase Agreement with the Clayton Properties Group, Inc wherein the CAB agrees to purchase real property located in the City of Aurora for one-hundred dollars. The CAB acknowledges the purchase is for the exclusive purpose of facilitating the relocation of certain pipelines and easement rights.

NOTE 8 ECONOMIC DEPENDENCY

The CAB has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations and capital expenditures in the CAB will be dependent upon funding by the Developer.

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the CAB may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As of December 31, 2023 the District had provided but did not fund an emergency reserve, which may be a violation of the constitutional amendment.

The CAB'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

PRAIRIE POINT COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 131,295	$ -	$ (131,295)
Total Revenues	131,295	-	(131,295)
EXPENDITURES			
Paying Agent Fees	7,000	-	7,000
Bond Interest	3,773,250	-	3,773,250
Total Expenditures	3,780,250	-	3,780,250
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,648,955)	-	3,648,955
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	16,909,750	-	(16,909,750)
Total Other Financing Sources (Uses)	16,909,750	-	(16,909,750)
NET CHANGE IN FUND BALANCE	13,260,795	-	(13,260,795)
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ 13,260,795	$ -	$ (13,260,795)

PRAIRIE POINT COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Interest Income	$ 325,000	$ 325,000	$ -	$ (325,000)
Total Revenues	325,000	325,000	-	(325,000)
EXPENDITURES				
Accounting	15,000	15,000	1,377	13,623
Engineering	45,000	45,000	31,186	13,814
Legal	85,000	85,000	188,207	(103,207)
Capital Outlay	43,836,344	78,015,136	1,161,834	76,853,302
Bond Issue Costs	1,719,250	1,719,250	72,294	1,646,956
Total Expenditures	45,700,594	79,879,386	1,454,898	78,424,488
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(45,375,594)	(79,554,386)	(1,454,898)	78,099,488
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	64,275,000	100,000,000	-	(100,000,000)
Developer Advance	750,000	750,000	1,535,529	785,529
Repay Developer Advance	(3,211,364)	(3,211,364)	-	3,211,364
Transfers To Other Fund	(16,909,750)	(16,909,250)	-	16,909,250
Total Other Financing Sources (Uses)	44,903,886	80,629,386	1,535,529	(79,093,857)
NET CHANGE IN FUND BALANCE	(471,708)	1,075,000	80,631	(994,369)
Fund Balance - Beginning of Year	471,708	471,708	(91,514)	(563,222)
FUND BALANCE - END OF YEAR	$ -	$ 1,546,708	$ (10,883)	$ (1,557,591)