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# Denver Urban Renewal Authority

(a component unit of the City and County of Denver, Colorado)

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**Financial Report**  
**with Supplementary Information**  
**December 31, 2024**

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May 8, 2025

To the Board of Commissioners of the Denver Urban Renewal Authority:

This report consists of management’s representations concerning the finances of the Denver Urban Renewal Authority (“the Authority”). Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the Authority established a comprehensive internal control framework that is designed both to protect the Authority’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority’s financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Authority’s comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

PLANTE MORAN, PLLC, Certified Public Accountants audited the Authority’s financial statements. The goal of the independent audit is to provide reasonable assurance that the Authority’s financial statements for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there is a reasonable basis for rendering an unmodified opinion that the Authority’s financial statements for the fiscal year ended December 31, 2024, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority’s MD&A can be found immediately following the report of the independent auditor.

### **Profile of the Authority**

The City and County of Denver (“the City”) created the Authority by ordinance in 1958 under Colorado Urban Renewal Law that was enacted by the State Legislature in the same year. The Authority is the redevelopment agency for the City, performing the traditional duties of an urban renewal authority – eliminating blight where it currently exists and helping prevent additional blight from developing. The Authority also has responsibility for implementing multiple housing rehabilitation programs designed to improve the quality of existing single-family homes owned by low-to-moderate income residents.

A Board of 13 Commissioners, 11 of whom are appointed by the mayor and confirmed by Denver's City Council, oversees the Authority. The Board of Commissioners appoints the Executive Director who directs the Authority staff and their operations.

### **Housing Rehabilitation**

The Authority has a role in implementing housing rehabilitation programs in the city from the beginning to its conclusion. That role includes helping homeowners fill out applications, obtain required documentation, inspect the home and develop a work plan. The Authority also provides technical assistance and contractor supervision to ensure that work is performed to specified standards.

Under the Single-Family Rehabilitation (SFR) Program, deferred and low-interest loans of up to \$50,000 are available to help eligible homeowners make needed repairs and improvements to their homes. The program is designed to assist with major home repairs such as roofing, heating, electrical or plumbing that are necessary to make the home livable and safe.

Under the Emergency Home Repair (EHR) Program deferred loans and grants are available to low-income Denver homeowners. EHR loans are used to repair plumbing, heating, electrical, and other problems that pose an immediate danger to a homeowner's health and safety.

### **Neighborhood Revitalization**

In 2009, the Authority established Denver Neighborhood Revitalization Inc., (DNRI), a registered State of Colorado not-for-profit organization, to address neighborhood revitalization needs in the Denver community, including foreclosed and/or abandoned homes. DNRI administered and executed the Neighborhood Stabilization Program (NSP) funds awarded by the City. DNRI activities included the acquisition and rehabilitation of foreclosed residential properties in targeted neighborhoods within the City. These properties were sold to homebuyers with incomes at or below 120% of Housing and Urban Development Area Median Income, (HUD AMI). The program revenue from the sales was utilized to acquire and rehabilitate additional foreclosed properties for purposes of resale under the program prior to the NSP deadline in 2019. Additionally, DNRI partnered with Habitat for Humanity of Metro Denver to assist homeowners whose incomes were at or below 50% of HUD AMI. The NSP program terminated in March 2019. DURA evaluates new potential community support and development programs that align with the Authority's strategic plan. It is possible that a program if adopted could be implemented by DNRI in the future if it further aligns with the objective of neighborhood revitalization.

### **Community Investment Fund**

Over the years, the Authority, including its Board of Commissioners and staff, aspired to identify ways to deploy resources of the Authority to offer community support and development programs that align with the Authority's strategic plan. In 2024, the Board allocated \$5 million to establish the Community Investment Fund (CIF). The purpose of the CIF is to provide funding to sustain existing and important elements of communities citywide. The inaugural accomplishment of this effort was the issuance of a Notice of Funding Availability in the amount of \$500,000 for eligible grantees. Eligible grantees include small businesses, nonprofit organizations and business improvement districts that were awarded varied

amounts in early 2025 in support of innovative and impactful projects in marginalized communities and/or neighborhoods experiencing involuntary effects of market conditions, including development.

## **Redevelopment**

In its redevelopment capacity, the Authority uses an important financing tool called tax increment financing (TIF) to fill the gap between the cost of a redevelopment project and the level of private financing it can support. Prior to the 1970s, Denver and other cities across the nation relied on substantial federal funding to finance neighborhood and downtown revitalization efforts. As federal funding levels for urban renewal vanished in the 1980s, alternative funding had to be found. Colorado passed a law authorizing the use of TIF in response to this dilemma.

Under the tax increment financing mechanism, the Authority calculates the level of property and/or municipal sales tax collections in a project area before redevelopment and estimates the new tax revenues expected to be generated by the redevelopment. The difference between the tax collections before the redevelopment and the increased taxes collected because of it are used to make debt service on bonds, to help pay for eligible project costs, or to reimburse developers for these costs.

A significant portion of the Authority's revenues come from incremental property and sales taxes. Other revenue sources include interest earnings and project fees. Tax increment revenues are used to pay costs related to eligible improvements in support of a development project. Types of project costs reimbursed by the Authority include, but are not limited to, capital costs for demolishing improvements, excavating, grading, landscaping, and constructing improvements within the areas covered by urban renewal plans.

In certain instances, the Authority may issue municipal bonds to fund redevelopment costs. When issued, these bonds are secured by future tax increment revenues and are carried as liabilities in the Authority's financial statements. However, the use of the bond proceeds does not result in equivalent Authority assets. Resulting assets are accounted for and capitalized by the developers and other beneficiaries, not by the Authority.

The Authority, under a Redevelopment Agreement, reimburses the redeveloper, with interest, for project costs incurred in an amount not to exceed the maximum reimbursable project costs set forth within. These reimbursements are payable solely from property, lodger's, and/or sales tax increment revenue generated by the project. Because these amounts are payable only when generated by the project and received by the Authority from the City, unpaid maximum reimbursement obligations are not recorded in these financial statements.

As of December 31, 2024, the Authority has two active bond-financed projects: Stapleton, the name of the area that preceded the Central Park area in northeast Denver, and 9<sup>th</sup> and Colorado. The Stapleton project involves the redevelopment of the former Stapleton International Airport, a 7.5-square-mile area in Northwest Denver that is one of the largest infill developments in the nation. This project began in 2001 and is being completed in phases over a 25-year period. Once complete, the area is expected to house 35,000 residents, and have 3 million square feet of retail space, 10 million square feet of commercial space, and 1,100 square feet of parks and open space, in addition to numerous schools and community facilities. This project is nearing completion, and the tax increment area is scheduled to terminate in July 2025.

The 9th and Colorado Project includes residential (attached, multi-family and senior housing) and commercial (office, retail, restaurants, theater, and services) land uses planned for completion over a multi-year period. Details on the Authority's bond-funded projects and their associated long-term

liabilities can be found in Note 7 “Capital Projects” and Note 9 “Long-term Liabilities” in the financial statements that follow the management’s discussion and analysis.

Tax Increment Areas established pursuant to an Urban Redevelopment Plan approved by City Council have a statutory life of 25 years unless extended by government action and remain in place with dedicated sales and/or property tax increment until that time or until the obligations of the Redevelopment Agreement have been met. In those instances, the Tax Increment Areas may terminate prior to the maximum of 25 years.

The Authority enters into a variety of agreements to authorize and enable redevelopment activity within tax increment areas described above. Currently, the Authority is party to several redevelopment, cooperation and intergovernmental agreements that govern the use of tax increment financing to reimburse eligible project and associated costs up to a maximum amount as tax increment revenues become available.

Redevelopment projects that are active as a result of executed agreements are outlined in Note 11 to the financial statements, “Commitments and Contingencies.” The tables provide a view through December 31, 2024 of the reimbursement and potential reimbursement obligations of non-senior-bond financed redevelopment projects of the Authority.

In 2024, the 2300 Welton and Colorado National Bank reimbursement obligations were fulfilled. DURA no longer receives sales, property or lodgers tax increment related to the Colorado National Bank project. Property tax increment from the 2300 Welton project will continue to be collected to support redevelopment in the Welton Corridor Urban Redevelopment Area.

In 2024, the Authority approved tax increment financing for new projects including the renovation of the All-In Hotel at 3015 E. Colfax Avenue, the renovation of the Evans School building in the Golden Triangle area of Denver, and redevelopment of a site into a mixed-use residential property at 38<sup>th</sup> & Huron. The Authority also approved additional tax increment financing for the Fox Park and I-25 & Broadway redevelopment projects, both of which are existing projects under existing urban renewal plans and previously approved redevelopment agreements.

The preparation of this report would not have been possible without the efficient and dedicated efforts of the staff of the Authority and especially the members of the Finance Department. We would like to express our appreciation to the Authority’s Board of Commissioners for their unfailing support in maintaining the highest standards of professionalism in the management of the Authority’s finances.

## Independent Auditor's Report

To the Board of Commissioners  
Denver Urban Renewal Authority

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of Denver Urban Renewal Authority (the "Authority"), a component unit of the City and County of Denver, Colorado, as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise Denver Urban Renewal Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of Denver Urban Renewal Authority as of December 31, 2024 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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.

#### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the beginning net position and fund balance in the 2024 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

#### **Report on Prior Year Financial Statements**

The basic financial statements of Denver Urban Renewal Authority as of and for the year ended December 31, 2023 were audited by other auditors, who expressed an unmodified opinion on the Authority on April 25, 2024.

#### **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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Commissioners  
Denver Urban Renewal Authority

### ***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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Commissioners  
Denver Urban Renewal Authority

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Denver Urban Renewal Authority's basic financial statements. The annual 15c2-12 disclosures, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the annual 15c2-12 disclosures is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Additional Information***

Management is responsible for the accompanying transmittal letter, which is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our opinions on the financial statements do not cover such information, and we do not express an opinion or any form of assurance thereon.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2025 on our consideration of Denver Urban Renewal Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Denver Urban Renewal Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Denver Urban Renewal Authority's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

May 8, 2025

As management of the Denver Urban Renewal Authority (the Authority), we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which follow this section.

The Authority's financial statements as of January 1, 2024, have been restated to correct an error in previously issued financial statements. During fiscal year 2024, the Authority determined that the accounting treatment and obligation to provide funding to the City and County of Denver for the 16th Street Mall Reconstruction project should be recorded as costs are incurred on the project and reimbursed by the Authority. Previously, the project was fully expensed and a related liability was recorded at inception in the amount of \$58,595,195. The liability was reduced through the reimbursement of costs in fiscal years 2021 (\$9,549,124) and 2023 (\$15,555,483), with \$33,490,588 still outstanding as a liability for the fiscal year ended December 31, 2023. As a result, fund balance and net position at the beginning of the fiscal year ended December 31, 2024 have been adjusted for the effects of the restatement on prior years.

### Financial Highlights

- The Authority's total net position of \$56,939,486 improved by \$32,905,539 or 136.9% over the beginning net position as restated in 2024 of \$24,033,947.
- Governmental activities represented most of the increase in net position for 2024, driven primarily by the following activities:
  - The Authority retired principal of \$32,380,000 in 2024, or 28.1% of previously outstanding bond debt, amortized \$3,222,630 in premiums on previous bond issues, and amortized \$21,885 in discounts on previous bond issuances. The net impact of these activities resulted in a \$35.6 million increase in the Authority's net position. As of December 31, 2024, the Authority's outstanding bond debt was \$82,995,000.
  - The capital projects fund reported a net decrease in fund balance of \$8,822,617. This fund records the net activity of tax increment financing revenue and associated project expenditures. The differential is the amount and timing of tax increment receipts and corresponding project expenditures that are paid with those receipts. In 2024, the decrease in fund balance reflects the current year expenditure of approximately \$18,000,000 for the 16<sup>th</sup> Street Mall Reconstruction project. The revenue related to this project was recognized in prior periods.
  - The debt service fund reported an ending fund balance of \$39,386,922, at December 31, 2024, reflecting a net increase of \$7,759,931. The increased debt service fund balance reflects the difference between tax increment revenue and earnings on that revenue compared to debt service obligations on the Stapleton and 9<sup>th</sup> & Colorado redevelopment projects. Tax increment revenue dedicated to the payment of debt service increased in 2024. Debt service on senior bonds increased by \$1,733,430, and debt service on junior subordinate bonds increased \$8,129,192 with the largest related to City Retained Taxes paid to the City and County of Denver, an increase of \$6,597,564.

Total fund balance in the general fund on December 31, 2024, was \$2,651,814. Per policy,

the Authority transferred the excess of revenues over expenditures to the Development Fund that typically results in no change in the year-over-year balance. However, in 2024, the fund balance in the general fund increased by \$337,002. This increase is associated with capital reserves that were assigned to pay for capital improvements on new office space for the Authority. \$2,130,619 of the total fund balance is unassigned and can be used for Authority administration.

- The Authority's deferred outflows of resources decreased by \$1,944,714, due to the scheduled amortization of the deferred loss on previous debt refunding issues.
- Business-type activities, which consist of the Authority's federal, and city-funded revolving rehabilitation loan and grant programs, reported a decrease in net position of \$296,272, or 6.3%. The decrease in net position was due to the use of prior earned and available program income to fund program activity that was expensed in 2024.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: (1) Authority-wide (government-wide) financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains the required and other supplementary information in addition to the basic financial statements. Notwithstanding the treatment of the Authority's audited financial statements presented in accordance with accounting principles generally accepted in the United States of America (US GAAP), the Authority is a political subdivision of the State of Colorado and is not subject to the restrictions of the Taxpayer Bill of Rights, Article X, Section 20 of the Constitution of the State of Colorado.

**The Financial Reporting Entity** consists of the Authority and organizations for which the Authority is financially accountable. Financial accountability exists if the Authority appoints a voting majority of the organization's governing board and can impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the Authority. The Authority includes one discretely presented component unit in its financial statements, Denver Neighborhood Revitalization, Inc. (DNRI).

DNRI was formed in 2009 and is a registered Colorado not-for-profit organization, exempt under Section 501(c)(3) of the Internal Revenue Code in a determination letter issued June 2014. DNRI was established to conduct neighborhood revitalization efforts, including the administration and execution of the Neighborhood Stabilization Program. DNRI was awarded funding in 2009 by the City and County of Denver and continued to execute the program using recycled funds until the program terminated in March 2019. The Authority intends to maintain DNRI as a going concern and continue neighborhood revitalization efforts. The Authority has elected to present DNRI's financial statements as separate statements within the government-wide presentation.

**Authority-wide financial statements** are designed to provide readers with a broad overview of the Authority's finances, in a manner like a private-sector business.

The *Statement of Net Position* presents information on all the Authority's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Authority's net position displays three components: net investment in capital assets, restricted and unrestricted net position. Assets are restricted when their use is subject to external limits

such as bond indentures and legal agreements.

The *Statement of Activities* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected incremental taxes and earned but unused vacation and sick leave.

The Authority-wide financial statements distinguish functions of the Authority that are principally supported by incremental taxes, intergovernmental revenues, investment income, priority fees and other income (*governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Authority include general administration, redevelopment projects, and debt service. The business-type activities of the Authority include rehabilitation loan and grant program activity.

**Fund financial statements** are designed to report information about the grouping of related accounts (funds), that are used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Authority can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds* are used to account for the same functions reported as governmental activities in the Authority-wide financial statements. However, unlike the Authority-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Authority-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the Authority-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

*Proprietary funds* include the enterprise fund, which is used to report the same functions presented as business-type activities in the Authority-wide financial statements.

**Notes to the basic financial statements** provide additional information that is essential to a full understanding of the data provided in the Authority-wide and fund financial statements.

**Supplementary information: The Annual 15c2-12 Disclosure** is provided in addition to the basic financial statements and accompanying notes. This schedule presents information related to the Authority's report required by Rule 15c2-12 under the *Securities Exchange Act of 1934*, as amended, for outstanding bonds issued by the Authority.

# Denver Urban Renewal Authority

## Management's Discussion and Analysis (Unaudited)

**Table 1** reflects the Authority's Net Position (Deficit) as of December 31, 2024 and 2023 (as restated):

### Denver Urban Renewal Authority's Net Position (Deficit) (In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2023		2023		2023	
	2024	Restated *	2024	2023	2024	Restated *
<b>Current and other assets</b>	\$ 323,755	\$ 319,470	4,474	5,426	\$ 328,229	\$ 324,896
Total assets	323,755	319,470	4,474	5,426	328,229	324,896
<b>Deferred outflows</b>	1,997	3,942			1,997	3,942
<b>Other liabilities</b>	14,839	10,568	70	726	14,910	11,294
<b>Long-term liabilities</b>	88,679	124,481			88,679	124,481
Total liabilities	103,518	135,049	70	726	103,589	135,775
<b>Deferred inflows</b>	169,698	\$ 169,029			169,698	169,029
<b>Net position</b>						
Investment in capital assets	30	\$ 53			30	53
Restricted for						
Capital projects	45,691	\$ 32,147			45,691	32,147
Housing program loans			4,404	4,700	4,404	4,700
Unrestricted (deficit)	6,815	\$ (12,866)			6,815	(12,866)
<b>Total net position (deficit)</b>	<b>\$ 52,535</b>	<b>\$ 19,334</b>	<b>\$ 4,404</b>	<b>\$ 4,700</b>	<b>\$ 56,939</b>	<b>\$ 24,034</b>

\* Certain amounts were reclassified to conform with the 2024 presentation of restricted assets and net position

Total assets increased \$3,332,470 primarily due to the increase in cash and investments, including amounts restricted for capital projects. Total government-wide assets and deferred outflows of resources exceeded total government-wide liabilities and deferred inflows of resources by \$56,939,486 at the close of fiscal year 2024. Assets are greater than liabilities because of the continuing amortization and reduction in outstanding debt that the Authority carries associated with the Stapleton redevelopment project, previously collected tax increment revenue that is held and restricted for payment of future project costs, and a significant reduction in accrued liabilities associated with the restatement of the Downtown Urban Renewal area expense. At the close of fiscal year 2023 and before the prior period adjustment described above, total government-wide liabilities and deferred inflows of resources exceeded total government-wide assets and deferred outflows of resources by \$9,456,641 (deficit). The Authority's 2023 deficit primarily reflected an outstanding bond debt of \$115,375,000.

Bond debt is serviced with tax increment receipts (incremental property and sales taxes) generated by redevelopment projects (see Note 1, "Tax Increment Financing" in the financial statements that follow this analysis). Outstanding bond debt was used to finance redevelopment projects located in the City and County of Denver. Resulting assets are accounted for and capitalized by the developers and other beneficiaries, not by the Authority. Types of project costs paid by the Authority include, but are not limited to, capital costs for demolishing improvements, excavating, grading, landscaping, and constructing improvements within the areas covered by Urban Renewal Plans.

The Authority's restricted net position represents funds that are subject to restrictions set forth in Redevelopment Agreements and Bond Indentures and Housing Program loans.

# Denver Urban Renewal Authority

## Management's Discussion and Analysis (Unaudited)

**Table 2** reflects the Authority's Changes in Net Position (Deficit) for the years ended December 31, 2024, 2023 (as restated):

### Denver Urban Renewal Authority's Changes in Net Position (Deficit) (In Thousands)

	Governmental Activities		Business-Type Activities		Total Government	
	2024	2023 Restated	2024	2023	2024	2023 Restated
<b>Revenues</b>						
Intergovernmental - program	\$ -	\$ 261	\$ 963	\$ 1,389	\$ 963	\$ 1,650
General revenues						
Tax increment financing	197,121	161,240			197,121	161,240
Investment income (loss)	10,483	6,938	39	37	10,522	6,975
Other income	1,847	1,576			1,847	1,576
Transfers						
Total revenues	209,451	170,015	1,002	1,426	210,453	171,441
<b>Expenditures</b>						
Administration	4,027	3,904	1,298	1,704	5,326	5,608
Other expenses						
Redevelopment projects	103,414	94,163			103,414	94,163
Project expense - other taxing entities	64,471	46,457			64,471	46,457
Debt service						
Interest	4,337	6,008			4,337	6,008
Total expenses	176,249	150,532	1,298	1,704	177,547	152,236
Change in net position	33,202	19,483	(296)	(278)	32,905	19,205
<b>Net position (deficit),</b>						
Beginning of year as previously reported	-	(49,195)	4,700	4,978	4,700	(44,217)
Restatement of beginning of year net position (Note 1)	\$ -	\$ 49,046			\$ -	\$ 49,046
Net position, Beginning of year, as restated	\$ 19,334	\$ (149)	\$ 4,700	\$ 4,978	\$ 24,034	\$ 4,829
Net position - End of year	\$ 52,535	\$ 19,334	\$ 4,404	\$ 4,700	\$ 56,939	\$ 24,034

*Governmental activities:* The Authority's governmental activities' net position increased by \$33,201,811 in 2024. A description of the key drivers for this activity is provided on page 8 of the MD&A. The governmental activities net position increased by \$35,037,596 in 2023.

The Authority collects and uses tax increment revenue to reimburse eligible costs of redevelopment projects that qualify for tax increment financing. The Authority recognized \$197,120,674 of tax increment financing revenue in 2024, including incremental property taxes, sales taxes, and lodgers' tax reflecting an increase of \$35,880,707 from the prior year. The substantial increase resulted primarily from an increase in property tax increment. In 2023, Metro Denver property values saw significant increases, with most counties experiencing double-digit percentage increases in their biannual assessment. Most Metro Denver counties saw property values increase 34-45%, with Denver's increasing 33%. The assessed valuation for 2023, as a percentage of statutory actual value, represents the value upon which ad valorem property taxes are levied and collected in 2024. The property tax revenue received by DURA from tax increment financing areas throughout the city reflects the same significant increases in property tax revenue received throughout the metro area.

The amount of project expenses that are paid by the Authority are based on the amount and timing of tax increment financing revenue that is received. When tax increment receipts increase, redevelopment project expenses increase as well. Variances between revenue and expenses can occur based on the amount and

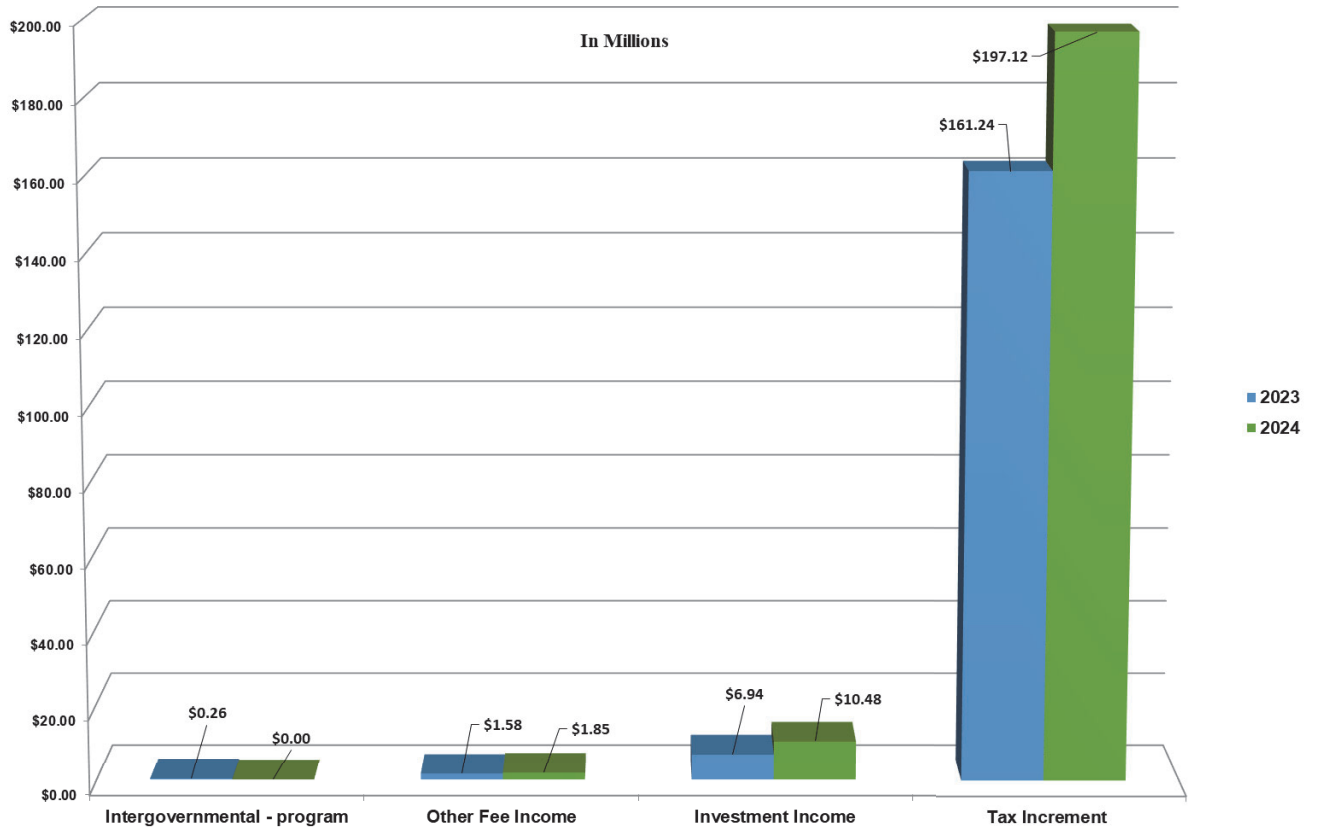
# Denver Urban Renewal Authority

## Management's Discussion and Analysis (Unaudited)

timing of associated expenditures. Overall, redevelopment project expenses increased by \$24,805,906 in 2024. Most redevelopment projects experienced an increase in project expenses, however, the largest increase in project expenses was due to a restatement of project expenses related to the Downtown Urban Renewal area.

The Authority, pursuant to various Cooperation Agreements, has agreed to provide tax increment revenue to other taxing districts, which include metropolitan districts, business improvement districts, fire districts and general improvement districts, located in various urban renewal areas. The Authority records the remittance of this tax increment revenue as a project expense. Accordingly, the tax increment revenue associated with other taxing entities corresponds with the increase in project expenses. In 2024, project expenses for other taxing entities increased by \$18,013,314 from \$46,457,345 to \$64,470,659. In 2023, project expenses for other taxing entities increased \$674,602.

### Revenue Governmental Activities



Tax increment financing is composed primarily of property and sales tax increment revenue that made up 94% of total governmental activities revenue in 2024. The Authority collects property tax increment for all redevelopment projects except the National Western Center-RTA project. In 2024, the Authority received sales tax increment related to eleven (11) projects, and Lodger's

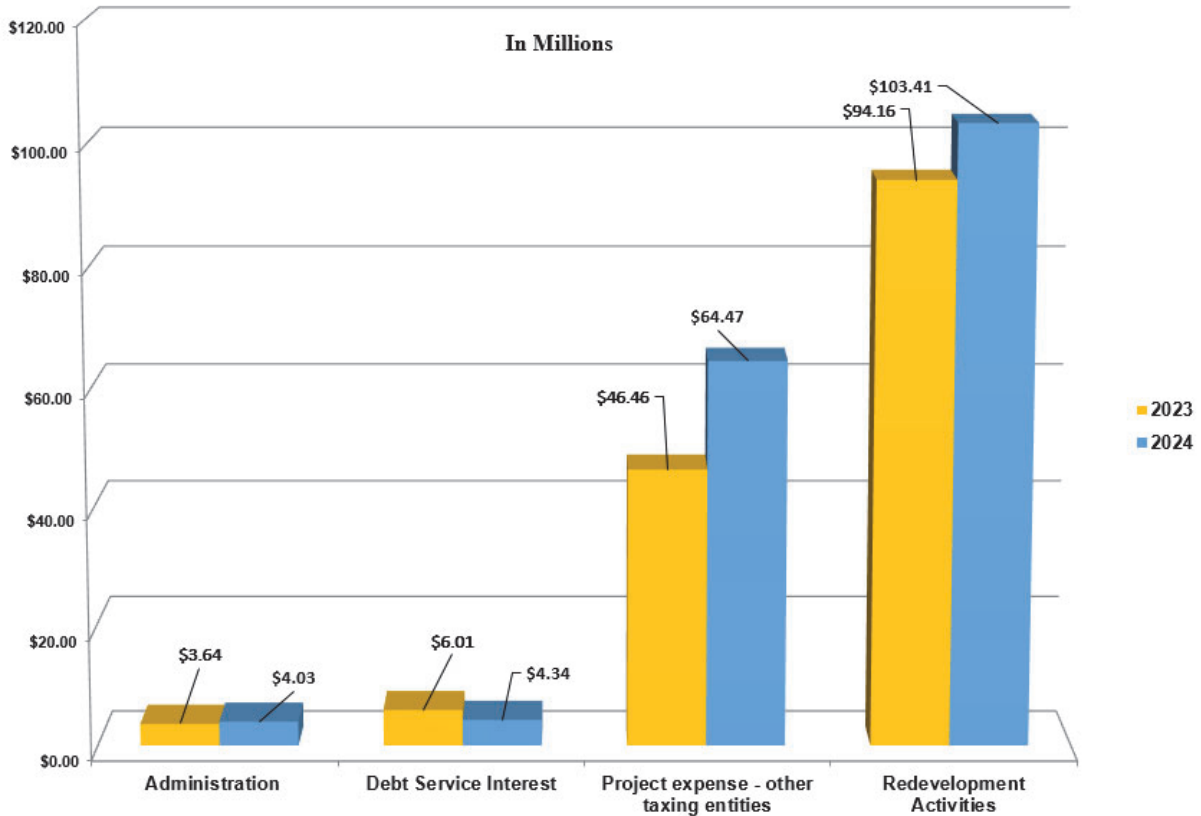
tax increment for one project.

- Property tax increment revenue increased by \$37,099,222 with increases in all tax increment areas based on assessed values and mill levies certified in 2023 and collected in 2024. Property tax increment increases can occur for two reasons, an increase in value on existing property, or an increase due to redevelopment (new building that creates value).
- The following projects experienced the largest increases in property tax increment
  - Central Park (Stapleton) property tax increment increased \$14.5 million (21.7%), 9th & Colorado increased \$928,000 (22.3%). These increases were primarily from revaluation of existing development. Westerly Creek property tax increment increased \$14.9 million (35%), and SBC/Prologis increased \$2.0 million (281%).
  - I-25 & Broadway increased \$924,000 (148%), Emily Griffith increased \$771,000 (91%), and Globeville increased \$915,000 (26.5%). These areas experienced tax increment growth from both revaluation and new development.
- Sales tax increment revenue decreased \$976,738. The decrease in sales tax increment collections is due to reduced sales tax collections in most tax increment areas, and the termination of sales tax collections where sufficient sales tax was collected to repay the associated reimbursement obligation.
- The Central Park (Stapleton) and Source tax increments areas experienced the largest declines in sales tax increment. Central Park area revenues declined by \$870,944 (3.2%), and the Source revenues declined by \$212,439 (24.3%).
- Among active sales-tax-increment-supported projects, five (5) saw an increase in sales tax increment collections, including 9<sup>th</sup> & Colorado at \$97,366 (11.1%), Emily Griffith at \$15,214 (20.5%), 101 Broadway at \$51,070 (49.8%), 2560 Welton at \$23,265 (320.2%), and Sloans Block 3 at \$13,593 (6.9%).
- Lodger's tax increment decreased by \$241,777 in 2024, due to a shorter collection period. The Authority collected lodger's tax increment related to the Colorado National Bank redevelopment project. Because sufficient tax increment was collected to fully reimburse the redeveloper prior to the end of 2024, the Authority returned unused lodger's tax increment to the City and will no longer collect lodgers' tax increment.

Most of the Authority's funds are invested in bonds and fixed income investments. Changes in interest rates have a strong impact on the value of these types of investments. The decline in interest rates resulted in an increase in the value of the Authority's investments. The Authority makes market to market adjustments annually to reflect the fair value of investment accounts that fluctuate over time. These adjustments combined with interest earnings resulted in an increase in investment income of \$3,545,080.

Other income including administration, origination, and other fees, increased by \$270,533 due to higher redevelopment fee income on redevelopment projects.

Expense Governmental Activities



- In 2024, total governmental activities expenses were \$176,248,972, an increase of \$41,532,105 or 31% from 2023.
  - Redevelopment project expenses were \$103,413,959, an increase of \$9,251,423, or 9.8% as adjusted for the 2023 restatement. Typically, redevelopment expense activity varies in relation to the amount of tax increment revenue collected and pledged to the payment of project expenses. In 2024, most of the increase in redevelopment expenses was related to the expense recognition of \$18,488,616 as compared to \$7,428,311, as restated in 2023 for the downtown project described previously. The remaining increase in redevelopment activity expense is a result of increased tax increment revenue associated with those projects.
  - Project expenses for other taxing entities increased by \$18,013,314, or 39%. By intergovernmental agreement, the Authority remits property tax increment to other taxing entities including metropolitan and business improvement districts that overlap tax increment financing areas. The Authority records this as a project expense. The increase was due exclusively to the increase in property tax revenue from value and/or mill levy increases.
  - Overall, interest expense on long-term debt decreased \$1,670,874 or 28%, most of which is

associated with a decrease in interest expense on Stapleton and 9<sup>th</sup> & Colorado bonds.

- Administration expenses increased by \$383,759 or 10.5%. Administration expenses represented 2.3% of total governmental activities expenses in 2024.

*Business-type activities* of the Authority consist of federal and local financial assistance for the Authority's Housing Rehabilitation programs. Federal funds are passed through the City and County of Denver to the Authority via the City's Community Development Block Grant, and HOME Loan and Grant Programs. This activity as reflected in the Proprietary Fund is accounted for as business-type activity. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, including loans under the federal revolving rehabilitation loan program. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The business-type activities' net position was \$4,404,037 in 2024, a decrease of \$296,272, or 6.3%. The decrease in net position is due to the use of prior earned and available program income to fund program activity that was expensed in 2024. In 2023, these activities reported a decrease in net position of \$277,209 or 5.6%.

## Financial Analysis of the Authority's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental funds.

The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the Authority's financial requirements. *Unassigned fund balance* may serve as a useful measure of the Authority's net resources available for spending at the end of the fiscal year. Individual fund information of governmental funds reported by the Authority includes the general fund, capital projects fund and debt service fund, which are all considered major funds.

At the end of 2024, the Authority's governmental funds reported combined fund balances of \$139,350,753 compared to \$140,076,437 as restated in 2023. This was a decrease of \$725,684 in 2024, compared to an increase of \$4,022,568 in 2023.

The general fund is the general operating fund of the Authority. It is used to account for the Authority's general and administrative expenditures, financial commitments, except those accounted for in another major fund. At the end of fiscal year 2024, the fund balance of the general fund was \$2,651,814, of which \$184,195 was non-spendable for prepaid items and \$337,000 was assigned. The assigned fund balance reflects funds placed in a capital reserve to be used on new office space for the Authority. The unassigned fund balance was \$2,130,619. On December 31, 2023, the general fund, fund balance was \$2,314,812, of which \$133,429 was non-spendable and the rest was unassigned.

The capital projects fund is used to account for the financial activity of various redevelopment project obligations. On December 31, 2024, the capital projects fund balance was \$97,312,017, a net decrease of

\$8,822,617 of restated fund balance of \$106,134,634 as of December 31, 2023. The entirety of the capital projects fund balance is either restricted or committed.

The debt service fund is used for the servicing of long-term debt. The ending fund balance in the debt service fund was \$39,386,922, a net increase of \$7,759,931. Debt service fund balance is restricted and available only for payment of debt service and project cost as described in associated trust and financing agreements. The debt service fund balance was \$31,626,991 on December 31, 2023.

### Proprietary Funds

The *enterprise fund* is used to account for operations related to the Authority's federal revolving rehabilitation loan programs, historically a major program for Single Audit purposes consistent with the provisions of the *Single Audit Act of 1996*. The Authority was not subject to compliance testing in accordance with Uniform Guidance for the years ended December 31, 2024, and 2023 because the Authority's total expenditures of federal funds were less than \$750,000. On December 31, 2024, the proprietary fund had an ending net position of \$4,404,037, a net decrease of \$296,272 from the prior year. The decrease in fund balance is due to the use of prior earned and available program income to fund program activity that was expensed in 2024. On December 31, 2023, and 2022, net position was \$4,700,309 and \$4,977,518, respectively.

### Consolidated Budget

As a part of the Local Government Budget Law of Colorado, Title 29 Government – Local, General Provisions, the Authority is required to submit a budget annually to the State of Colorado. See “Required Supplementary Information” for the Budgetary Comparison Schedule. The Authority annually adopts a budget in December as the complete financial plan for the next fiscal year. During 2024, there were no changes made to the budget as approved by the Authority Board of Commissioners.

### Debt Administration

On December 31, 2024, the Authority had total bond debt outstanding of \$82,995,000 as compared to \$115,375,000 at the end of 2023.. The Authority's outstanding debt will be repaid from future collections of tax increment revenues or from reserves funded from bond proceeds and maintained by the bond trustee.

As of December 31, 2024, the Authority has two outstanding tax increment revenue bond issues that are rated, both of which are related to Stapleton redevelopment projects. The DURA Stapleton Senior Tax Increment Revenue Bonds Series 2013A-1 are rated AA- (stable outlook) by Fitch, Inc., and the DURA Senior Subordinate Bonds Series 2010B-1 are rated Aa3 by Moody's Ratings. All other Authority bonds are unrated. (See Note 9 of the Financial Statements that follow this report for more detailed information regarding the Authority's debt).

### Investment Policies and Practices

In 2014, the Authority engaged the services of the Investment Advisory firm, PFM Asset Management LLC (PFMAM). At fiscal year ended December 31, 2024, \$91,762,339 million was under management at PFMAM. Note 2 to the financial statements includes additional detailed information regarding the Authority's “Cash and Investments.”

In accordance with the Authority's Investment Policy, the Authority invests cash not necessary to meet near

term operating expenses in local government investment pools (LGIPs), including the Colorado Statewide Investment Pool (CSIP), and Colorado Local Government Liquid Asset Trust (COLOTRUST). CSIP invests in U.S. Treasury, U.S. Agency Securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency Securities, and Corporate notes. As of December 31, 2024, the weighted average maturity of the portfolio was 41 days with a current 7-day yield of 4.64%. As of December 31, 2023, the average weighted maturity was 55 days, and the current 7-day yield was 5.56%. COLOTRUST invests in U.S. Treasury, U.S. Agency Securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency Securities, and Commercial Paper. The maturities of the investments range from one day to one year, and as of December 31, 2024, had a weighted average maturity of approximately 41 days and a seven-day yield of 4.63%. As of December 31, 2023, the weighted average maturity was 48 days, and the 7-day yield was 5.57%.

Authority investment performance is measured on both a yield and total return basis as appropriate.

## Economic Factors Impacting the Authority's Financial Position

Users of the Authority's financial statements will best understand the information presented in the financial statements in the context of the national, state and local economies. The Authority is heavily reliant on property and sales tax activity in the City and County of Denver, therefore state and local economies and policies that affect them are considered when projecting tax increment revenue. Below is a brief discussion of other economic factors that may influence the Authority's financial results.

### National, Regional and Local Key Economic Indicators

Each December, the University of Colorado, Boulder, Leeds School of Business and its Business Research Division presents its forecast for the following year during its annual Colorado Business Economic Outlook Forum. This economic forecast was developed in partnership with 130 private and public leaders across Colorado. Below, we note several key indicators provided in the report that may impact the business results of the Authority.

#### GDP

National real GDP growth continued in 2024 at an estimated rate of 2.7%. For Colorado, Real GDP percentage change Q2 2023-Q2-2024 increased 1.6%.

#### Inflation, Employment and Personal Income

While inflation continued to trend downward in 2024, it continues to be at the forefront of consumers' minds in Colorado and the nation. For local governments in Colorado, Article X, Section 20 (otherwise known as TABOR), defines inflation to mean the percentage change in the United States Bureau of Labor Statistics Consumer Price Index (CPI) for Denver-Boulder (now Denver-Aurora-Lakewood). The Consumer Price Index (CPI) measures a basket of products ranging from gasoline and health care to groceries and rents. The Bureau of Labor Statistics reported a 2.7% increase in inflation for the Denver-Aurora-Lakewood area in 2024.

With respect to the Colorado resident labor force, the Colorado Department of Labor and Colorado Business Economic Outlook Committee reported 2024 unemployment at 3.9%, and a forecast for 2025 of 4.3%. Colorado personal income per capita is \$83,379 and a 5.1% rate of increase in 2024, one of the highest

growth rates in the western region of the U.S.

#### **Retail Sales and Office Vacancies**

Colorado Department of Revenue, Colorado Department of Labor and Employment, and the Colorado Business Economic Outlook Committee forecast retail sales growth of 1.9%, after weak to negative growth over 2023 and the first half of 2024.

Metro Denver's office market has continued to experience post pandemic challenges and economic pressures. According to the Q3 2024 CBRE report, total office vacancy increased 1.9% year-over-year, to 24.8%. Moving forward, the office market is expected to gradually recover, but elevated vacancy rates may persist due to the shift toward remote and hybrid work models, which have reduced the demand for traditional office space.

#### **2025 Operations and Debt Service**

The Authority expects 2025 tax increment revenue to be sufficient to meet debt service obligations to bondholders, based on expected property tax increment receipts as evidenced by the property tax receivable recorded for 2025, projected sales tax increment and bond reserves. (See "Supplemental Information" in the Financial Statements that follow this report for evidence of debt service coverage in 2023 and 2024). Based on existing and new redevelopment agreements, strong fund balances and anticipated budget to actual activity, the Authority expects to maintain a strong financial position through 2025.

#### **Request for Information**

This financial report is designed to provide a general overview of the Denver Urban Renewal Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the CFO at [info@renewdenver.org](mailto:info@renewdenver.org).

# Denver Urban Renewal Authority

## Statement of Net Position

December 31, 2024

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments (Note 2)	\$ 45,279,481	\$ 3,873,989	\$ 49,153,470
Receivables:			
Interest receivable	381,190	19,437	400,627
Accounts receivable	343,162	7,681	350,843
Notes receivable - Net of allowance of \$7,300,674 (Note 4)	1,055,399	-	1,055,399
Internal balances (Note 3)	204,366	(204,366)	-
Prepaid expenses	184,195	378	184,573
Due from the City and County of Denver, Colorado (Note 1)	174,253,967	-	174,253,967
Restricted assets: (Note 2)			
Restricted cash and equivalents	49,810,031	-	49,810,031
Restricted investment securities	52,099,026	-	52,099,026
Capital and subscription assets - Net (Note 6)	143,821	-	143,821
Loans receivable - Net of allowance of \$288,474 (Note 5)	-	777,358	777,358
Total assets	323,754,638	4,474,477	328,229,115
<b>Deferred Outflows of Resources</b> - Deferred loss on refunding (Note 8)	1,997,011	-	1,997,011
<b>Liabilities</b>			
Due to other governmental units	-	18,743	18,743
Accrued liabilities and other	14,521,089	51,697	14,572,786
Unearned revenue	123,000	-	123,000
Deposits	195,065	-	195,065
Noncurrent liabilities: (Note 9)			
Due within one year - Current portion of bonds and contracts payable	39,770,475	-	39,770,475
Due in more than one year - Bonds and contracts payable - Net of current portion	48,908,446	-	48,908,446
Total liabilities	103,518,075	70,440	103,588,515
<b>Deferred Inflows of Resources</b> - Property taxes levied for the following year (Note 8)	169,698,125	-	169,698,125
<b>Net Position</b>			
Net investment in capital assets	29,761	-	29,761
Restricted:			
Housing program loans	-	4,404,037	4,404,037
Capital projects (Note 6)	45,691,171	-	45,691,171
Unrestricted	6,814,517	-	6,814,517
Total net position	<u>\$ 52,535,449</u>	<u>\$ 4,404,037</u>	<u>\$ 56,939,486</u>

# Denver Urban Renewal Authority

## Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Primary Government		Governmental Activities	Business-type Activities	Total
		Charges for Services	Operating Grants and Contributions			
Primary government:						
Governmental activities:						
General government	\$ 4,027,167	\$ -	\$ -	\$ (4,027,167)	\$ -	\$ (4,027,167)
Redevelopment projects (Note 7)	103,413,959	-	-	(103,413,959)	-	(103,413,959)
Project expense - Other taxing entities	64,470,659	-	-	(64,470,659)	-	(64,470,659)
Interest on long-term debt	4,337,187	-	-	(4,337,187)	-	(4,337,187)
Total governmental activities	176,248,972	-	-	(176,248,972)	-	(176,248,972)
Business-type activities - Loan programs	1,298,460	963,172	-	-	(335,288)	(335,288)
Total primary government	<b>\$ 177,547,432</b>	<b>\$ 963,172</b>	<b>\$ -</b>	(176,248,972)	(335,288)	(176,584,260)
General revenue:						
Tax increment financing				197,120,674	-	197,120,674
Interest income				10,483,441	39,016	10,522,457
Other miscellaneous income				1,846,668	-	1,846,668
Total general revenue				209,450,783	39,016	209,489,799
<b>Change in Net Position</b>				33,201,811	(296,272)	32,905,539
<b>Net Position - Beginning of year, as previously reported</b>				(14,156,950)	4,700,309	(9,456,641)
<b>Restatement of Beginning of Year Net Position (Note 1)</b>				33,490,588	-	33,490,588
<b>Net Position - Beginning of year, as restated</b>				19,333,638	4,700,309	24,033,947
<b>Net Position - End of year</b>				<b>\$ 52,535,449</b>	<b>\$ 4,404,037</b>	<b>\$ 56,939,486</b>

# Denver Urban Renewal Authority

## Governmental Funds Balance Sheet

December 31, 2024

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
<b>Assets</b>				
Cash and investments (Note 2)	\$ 1,589,195	\$ 43,690,286	\$ -	\$ 45,279,481
Receivables:				
Interest receivable	31,491	292,488	25,438	349,417
Accounts receivable	183,153	160,009	-	343,162
Due from other funds	1,246,462	429,874	4,382,561	6,058,897
Prepaid expenses	184,195	-	-	184,195
Due from the City and County of Denver, Colorado (Note 1)	-	168,947,422	5,306,545	174,253,967
Restricted assets (Note 2)	-	67,080,368	34,828,689	101,909,057
<b>Total assets</b>	<b>\$ 3,234,496</b>	<b>\$ 280,600,447</b>	<b>\$ 44,543,233</b>	<b>\$ 328,378,176</b>
<b>Liabilities</b>				
Due to other funds (Note 3)	\$ 429,874	\$ 5,424,657	\$ -	\$ 5,854,531
Accrued liabilities and other	152,808	13,003,894	-	13,156,702
Unearned revenue	-	123,000	-	123,000
Deposits	-	195,065	-	195,065
<b>Total liabilities</b>	<b>582,682</b>	<b>18,746,616</b>	<b>-</b>	<b>19,329,298</b>
<b>Deferred Inflows of Resources</b> - Property taxes levied for the following year (Note 8)	-	164,541,814	5,156,311	169,698,125
<b>Total liabilities and deferred inflows of resources</b>	<b>582,682</b>	<b>183,288,430</b>	<b>5,156,311</b>	<b>189,027,423</b>
<b>Fund Balances</b>				
Nonspendable - Prepaid items	184,195	-	-	184,195
Restricted:				
Debt service	-	-	39,386,922	39,386,922
Capital projects	-	45,691,171	-	45,691,171
Committed - Capital projects	-	51,620,846	-	51,620,846
Assigned - Capital projects (Note 6)	337,000	-	-	337,000
Unassigned	2,130,619	-	-	2,130,619
<b>Total fund balances</b>	<b>2,651,814</b>	<b>97,312,017</b>	<b>39,386,922</b>	<b>139,350,753</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,234,496</b>	<b>\$ 280,600,447</b>	<b>\$ 44,543,233</b>	<b>\$ 328,378,176</b>

# Denver Urban Renewal Authority

## Governmental Funds Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

December 31, 2024

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 139,350,753</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Notes receivable - Net (Note 4)	1,055,399
Interest receivable	31,773
Capital and subscription assets - Net	143,821
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds - Deferred loss on refundings	
	1,997,011
Long-term liabilities, including bonds payable, notes payable, interest payable, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(82,995,000)
Premiums on bonds payable	(2,754,682)
Notes payable	(2,815,179)
Subscription liability	(114,060)
Accrued interest	(1,020,032)
Compensated absences	(344,355)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 52,535,449</u></b>

# Denver Urban Renewal Authority

## Governmental Funds

### Statement of Revenue, Expenditures, and Changes in Fund Balances

**Year Ended December 31, 2024**

	General Fund	Capital Projects	Debt Service	Total Governmental Funds
<b>Revenue</b>				
Tax increment financing	\$ -	\$ 191,062,655	\$ 6,058,019	\$ 197,120,674
Investment earnings	41,630	6,416,877	4,025,564	10,484,071
Other income	944,633	980,352	-	1,924,985
Total revenue	986,263	198,459,884	10,083,583	209,529,730
<b>Expenditures</b>				
Current services:				
Administration	3,869,824	50,145	13,282	3,933,251
Redevelopment projects	-	32,797,086	70,849,437	103,646,523
Project expense - Other taxing entities	-	64,470,659	-	64,470,659
Debt service:				
Principal	-	-	32,382,283	32,382,283
Interest and fiscal charges	-	-	5,822,698	5,822,698
Total expenditures	3,869,824	97,317,890	109,067,700	210,255,414
<b>Excess of Revenue (Under) Over Expenditures</b>	(2,883,561)	101,141,994	(98,984,117)	(725,684)
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,592,291	371,728	107,294,048	111,258,067
Transfers out	(371,728)	(110,336,339)	(550,000)	(111,258,067)
Total other financing sources (uses)	3,220,563	(109,964,611)	106,744,048	-
<b>Net Changes in Fund Balances</b>	337,002	(8,822,617)	7,759,931	(725,684)
<b>Fund Balances</b> - Beginning of year, as previously reported	2,314,812	72,644,046	31,626,991	106,585,849
<b>Restatement of Beginning of Year Balances</b> (Note 1)	-	33,490,588	-	33,490,588
<b>Fund Balances</b> - Beginning of year, as restated	2,314,812	106,134,634	31,626,991	140,076,437
<b>Fund Balances</b> - End of year	<u>\$ 2,651,814</u>	<u>\$ 97,312,017</u>	<u>\$ 39,386,922</u>	<u>\$ 139,350,753</u>

# Denver Urban Renewal Authority

## Governmental Funds

### Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended December 31, 2024

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ (725,684)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Repayment of bond principal and note principal are expenditures in the governmental funds, but repayments reduce long-term liabilities in the statement of net position:	
Repayment, payments/reduction of bond principal	32,380,000
Change in note payable	207,460
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 the governmental funds:	
Change in accrued interest and other expenses, including interest on subscription liability	228,187
Change in compensated absences	(56,283)
Amortization of loss on refundings	(1,944,715)
Amortization of bond discount	(21,885)
Amortization of bond premium	3,222,630
Depreciation on capital assets	(21,737)
Amortization on subscription assets	(15,896)
Some expenses reporting in the fund statements are capitalized in the statement of net position and, therefore, do not result in expenses in the statement of activities:	
Capital outlay capitalized in the statement of net position	25,104
Change in note receivable	(98,404)
Some revenue reported in the statement of activities does not provide current financial resources and, therefore, is not reported as revenue in the governmental funds -	
Interest revenue	23,034
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 33,201,811</u></b>

# Denver Urban Renewal Authority

## Proprietary Fund Statement of Net Position

December 31, 2024

	<u>Total Enterprise Fund</u>
<b>Assets</b>	
Current assets:	
Cash and investments (Note 2)	\$ 3,873,989
Receivables	27,118
Prepaid expenses	<u>378</u>
Total current assets	3,901,485
Noncurrent assets - Loans receivable - Net of allowance of \$288,474	<u>777,358</u>
Total assets	4,678,843
<b>Liabilities</b>	
Current liabilities:	
Due to other governmental units	18,743
Due to other funds	204,366
Accrued liabilities and other	<u>51,697</u>
Total liabilities	<u>274,806</u>
<b>Net Position - Restricted - Housing program loans</b>	<b><u>\$ 4,404,037</u></b>

# Denver Urban Renewal Authority

## Proprietary Fund Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2024

	<u>Total Enterprise Fund</u>
<b>Operating Revenue</b>	
Investment income	\$ 39,016
Other operating revenue	<u>963,172</u>
Total operating revenue	1,002,188
<b>Operating Expenses</b>	
Program	1,203,186
Bad debt expense	<u>95,274</u>
Total operating expenses	<u>1,298,460</u>
<b>Change in Net Position</b>	(296,272)
<b>Net Position - Beginning of year</b>	<u>4,700,309</u>
<b>Net Position - End of year</b>	<u><u>\$ 4,404,037</u></u>

# Denver Urban Renewal Authority

## Proprietary Fund Statement of Cash Flows

Year Ended December 31, 2024

### Cash Flows from Operating Activities

Cash received from loan payments, interest, and other revenue	\$ 869,073
Receipts from interfund services and reimbursements	276,358
Cash payments for loans and administrative fees	(1,738,130)
Cash received from contracts	(13,113)

Net cash and cash equivalents used in operating activities (605,812)

### Cash Flows Used in Noncapital Financing Activities - Decrease in due to other governments

(153)

### Cash Flows Provided by Investing Activities - Cash received from investment activity

19,579

### Net Decrease in Cash and Cash Equivalents

(586,386)

### Cash and Cash Equivalents - Beginning of year

4,460,375

### Cash and Cash Equivalents - End of year

\$ 3,873,989

### Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss \$ (296,272)

#### Adjustments to reconcile operating loss to net cash from operating activities:

Investment income included in operating revenue (39,016)

#### Changes in assets and liabilities:

Receivables 1,175

Due to and from other funds 276,358

Prepaid and other assets 441

Accrued liabilities (655,579)

Loans receivable 120,194

Due from the City and County of Denver, Colorado (13,113)

Net cash and cash equivalents used in operating activities \$ (605,812)

**Denver Urban Renewal Authority**

Component Unit

Statement of Net Position - Denver Neighborhood Revitalization, Inc.

**December 31, 2024**

<b>Assets</b>	
Cash and investments (Note 2)	\$ 1,147,422
Prepaid expenses	<u>2,888</u>
Total assets	1,150,310
<b>Liabilities - Accounts payable</b>	<u>1,188</u>
<b>Net Position - Unrestricted</b>	<u><u>\$ 1,149,122</u></u>

**Denver Urban Renewal Authority**

**Component Unit**  
**Statement of Activities - Denver Neighborhood Revitalization, Inc.**

**Year Ended December 31, 2024**

		Program Revenue		Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Unit
<b>Functions/Programs</b>				
Component unit - Support services	\$ 2,334	\$ -	\$ -	\$ (2,334)
<b>Change in Net Position</b>				(2,334)
<b>Net Position - Beginning of year</b>				1,151,456
<b>Net Position - End of year</b>				<b>\$ 1,149,122</b>

December 31, 2024

### Note 1 - Significant Accounting Policies

Denver Urban Renewal Authority (the "Authority") was created in 1958, pursuant to the Urban Renewal Law of the State of Colorado, to assist in the redevelopment of blighted property and to help foster the sound growth and development of the City and County of Denver, Colorado (the "City").

The accounting policies of the Authority conform to generally accepted accounting principles, as applicable to governments. Following is a summary of the more significant policies.

#### ***Reporting Entity and Financial Statement Presentation***

The financial reporting entity consists of the Authority and organizations for which the Authority is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Authority. In addition, any legally separate organizations for which the Authority is financially accountable are considered part of the reporting entity. Financial accountability exists if the Authority appoints a voting majority of the organization's governing board and is able to impose its will on the organization or if the organization provides benefits to, or imposes financial burdens on, the Authority. The Authority includes one discretely presented component unit in its financial statements, as discussed below.

The Authority is governed by a 13-member board of commissioners, 11 of whom are appointed by the mayor of the City and confirmed by the Denver City Council.

For financial reporting purposes, the Authority is a component unit of the City and County of Denver, Colorado under the provisions of Governmental Accounting Standards Board Codification Section 2100. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financially accountable because the mayor appoints the majority of the Authority's board of commissioners, subject to City Council approval, and the Authority cannot undertake any urban renewal projects unless the City approves the urban renewal plan.

#### ***Discretely Presented Component Unit - Denver Neighborhood Revitalization, Inc.***

Based upon the criteria stated above, the Authority reports the accounts and operations of Denver Neighborhood Revitalization, Inc. (DNRI) within the reporting entity. DNRI, formed in 2009, is registered with the Colorado Secretary of State as a not-for-profit organization established for the administration and execution of the Neighborhood Stabilization Program as granted by the City and County of Denver, Colorado. DNRI is composed of a five-member board of directors, all of which are appointed by the Authority's board of commissioners. DNRI's financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification 958, relating to the reporting model for financial statements of not-for-profit organizations, a different GAAP reporting model than is used by the Authority. In accordance with GASB Codification 2100 and 2600, the Authority has elected to present DNRI's financial statements as separate statements within the government-wide presentation. There are no separately issued financial statements for DNRI.

#### ***Report Presentation***

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statements of net position and activities) report information on all of the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by incremental taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**Note 1 - Significant Accounting Policies (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes governmental grants and payments made on loans. Taxes and other items not properly included in program revenues are reported instead as general revenue. Internally dedicated resources are reported as general revenue rather than as program revenue.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The Authority has only one major proprietary fund, its enterprise fund, as discussed below.

***Measurement Focus and Basis of Accounting***

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting, as do the proprietary fund financial statements. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the fund financial statements, the Authority reports the following major governmental funds:

- The General Fund is the Authority's primary operating fund. It accounts for and reports all financial resources of the Authority except those required to be accounted for in another fund.
- The Capital Projects Fund is used to account for and report various costs and the related tax increment revenue and other financial resources received for urban renewal projects.
- The Debt Service Fund accounts for and reports resources accumulated and payments made on long-term debt obligations of the Authority, including expenditures related to debt obligations.

The Authority also reports the following major proprietary fund:

- The Enterprise Fund accounts primarily for the activity related to the Authority's federal revolving rehabilitation loan program.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenue to be available if it is collected within 60 days of the end of the current fiscal period.

Tax increment financing, payments from developers, and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

In the fund financial statements, expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, including loans under the federal revolving rehabilitation loan program. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

**Note 1 - Significant Accounting Policies (Continued)**

DNRI considers developer fee revenue to be operating revenue and related expenses, including losses on sales of property, to be operating expenses.

***Assets, Liabilities, and Fund Balances***

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

**Investments**

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Investments are stated at fair value except for certain investments in external investment pools, which are valued at amortized cost.

**Receivables**

All receivables are reported at their gross values and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

***Interfund Receivables and Payables***

During the course of operations, numerous transactions occur between individual funds. The resulting receivables and payables are classified in the fund statements as due from other funds and due to other funds because they are short term in nature. Noncurrent portions of interfund receivables and payables are reported as advances to other funds and advances from other funds. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

***Due from City and County of Denver, Colorado***

Due from/to the City and County of Denver, Colorado in the governmental funds includes amounts due from the City and County of Denver, Colorado for contracts, other programs or tax increment distributions (sales and property taxes, net). A property tax receivable, due from the City and County of Denver, Colorado, is recorded when the levy is certified by the City's assessor on or before December 15 of each year. In November 2023, the governor of Colorado called a special session of the state legislature to address property tax relief in light of the unprecedented increase in property values throughout the state and the resulting impact on property taxes. As a result, deadlines for final assessed values and certification of mill levies by county governments were delayed into January 2024. The property taxes due from the City and County of Denver are recorded net of a 1 percent administration fee withheld by the City and County of Denver, Colorado upon distribution of the taxes to the Authority. Property taxes are due to the City and considered earned by the Authority on January 1 following the year assessed (i.e., in the period for which the taxes are levied). Contract receipts are recorded as receivables and revenue at the time reimbursable program costs are incurred.

**Prepaid Items**

Payments for services that will benefit subsequent periods are recorded as prepaid items.

**Restricted Cash and Investments**

Cash and investments held for payment of bonds or reimbursements under certain redevelopment agreements are classified as restricted assets since their use is limited by applicable bond indentures or redevelopment agreements.

**Note 1 - Significant Accounting Policies (Continued)**

**Capital Assets, Lease Assets, and Subscription Assets**

Capital assets are defined by the Authority as tangible real or personal property with a useful life exceeding one year. Capital assets are recorded at historical cost. Donated assets are recorded at estimated acquisition value. The capitalization threshold for recognition is \$5,000, except for capital improvements, where the threshold is \$10,000 per project.

Right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease asset into service, in accordance with GASB 87, *Leases*. The capitalization threshold is \$15,000.

Subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made prior to the lease term, plus capitalizable implementation costs. Payments made before the commencement of the subscription terms are reported as prepayments and reclassified as an addition to the initial measurement of the subscription assets at commencement of the subscription term in accordance with GASB 96, *Subscription-Based Information Technology Arrangements*. The capitalization threshold is \$15,000.

Capital assets, lease assets, and subscription assets are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Depreciable Life - Years
Computers and equipment	3-7
Furniture and fixtures	10
Leasehold improvements	Lesser of 10 years or remainder of lease
Right-to-use and subscription assets	Lesser of useful life or remainder of the agreement

**Long-term Debt**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

**Lease Liability**

Lease liabilities are reported in the government-wide financial statements and propriety fund financial statements (as applicable) as a result of implementing GASB Statement No. 87, *Leases*. The lease liability is calculated at the present value of the remaining lease payments expected to be paid/received during the lease term. The Authority recognizes lease liabilities with an initial individual value of \$15,000 or more.

**Subscription Liability**

Subscription liabilities are recorded in the government-wide financial statements and proprietary fund financial statements (as applicable) as a result of implementing GASB 96, *Subscription-Based Information Technology Arrangements*. The subscription liability is calculated at the present value of the remaining lease payments expected to be paid during the lease term. The Authority recognizes subscription liabilities with an individual value of \$15,000 or more.

**Note 1 - Significant Accounting Policies (Continued)**

**Deferred Outflows/Inflows of Resources**

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period, and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statements as revenue and expenses until the period(s) to which they relate. Deferred outflows of resources of the Authority for the year ended December 31, 2024 consist of deferred losses on previous debt refunding issuances. Deferred inflows of resources in the governmental fund and government-wide financial statements represent property taxes for which an enforceable legal claim to the assets exists but for which the levy pertains to the subsequent year.

**Net Position and Fund Balances**

In the government-wide financial statements, net position is restricted when constraints placed on the net position is externally imposed. When both restricted and unrestricted resources are available for use, it is the Authority's practice to use restricted resources first and then unrestricted resources as they are needed. Within the unrestricted fund balance, unassigned fund balance is used first, with any excess unassigned fund balance being committed by the board at year end, as described below. Committed fund balance can be used only as described below and cannot be used for operations once established by the board.

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Authority reports its fund balances based primarily on the extent to which it is bound to honor constraints. Fund balances consist of five categories: nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balances include amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Nonspendable fund balances of the Authority include prepaid items.

Restricted fund balances represent amounts constrained to specific purposes by external parties, enabling legislation and/or constitutional provisions. The Authority's restricted fund balances are constrained by bond and other agreements restricting the resources to expenditures towards the urban renewal projects or to debt service.

Committed fund balances represent amounts constrained by the highest level of decision-making authority (the Authority's board of commissioners) and have been constrained through board resolution. Only through similar board action can the commitment be changed. The committed amounts are for the purposes of funding the Development Fund, Construction Employment Opportunities Fund, and Community Investment Fund, funds within the Capital Projects Fund. The Development, Construction Employment Opportunities, and Community Investment funds were established by the board to manage excess revenue in a way that would preserve its ability to operate, implement a program designed to implement a construction industry training program, and build a fund for community revitalization projects that otherwise would not be funded through traditional methods.

Assigned fund balances represent funds that are intended to be used for a specific purpose, but the constraint need not be from the highest level of decision-making authority. Assignment of funds is largely through the adherence to authority policy. The Authority has assigned fund balance in the General Fund for capital improvements.

Unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been restricted, committed, or assigned.

December 31, 2024

### Note 1 - Significant Accounting Policies (Continued)

The Authority has a stated goal of maintaining a minimum fund balance level of \$2,100,000 of unassigned fund balance in the General Fund. To maintain the unassigned fund balance goal, a transfer in or out is recorded at year end between the General Fund and the Development Fund (Capital Projects Fund). If the unassigned fund balance falls below the goal of \$2,100,000, it must be replenished with Development Fund amounts within 12 months.

#### **Compensated Absences**

Employees of the Authority with more than six months of service are allowed to accumulate unused sick and vacation time. Upon termination of employment from the Authority, an employee will be compensated for all accrued vacation time at their current pay rate, subject to certain limitations.

Accumulated unpaid vacation pay is accrued when earned. Sick time estimated to be used during the subsequent year is determined based on historical usage by position and is accrued for annually. These compensated absences are recognized as current salary costs when paid in the governmental funds. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Tax Increment Financing**

The Authority's work in support of urban redevelopment utilizes a financing tool called tax increment financing, or TIF. State law enables urban renewal authorities to use incremental property and sales taxes generated within a TIF area to provide project financing. These receipts, or tax increments, must pay for infrastructure and/or related public purpose improvements associated with the redevelopment project, usually through the issuance of bonds or developer reimbursement.

All additional taxes created by the redevelopment revert to the normal taxing entities once the Authority has fulfilled its monetary obligations related to a project. The neighborhood benefits from the creation of revitalized, productive properties and the taxing entities get new, permanent sources of revenue that would not have existed if the Authority had not enabled the project to be undertaken.

The Authority's bonds are payable solely from future TIF revenue pledged for such repayment or from reserves established by the Authority and maintained by the bond trustee. The reimbursement of eligible costs incurred by a developer are payable solely from future TIF revenue pledged for such reimbursement.

#### **Budgets**

As a part of the Local Government Budget Law of Colorado, *Title 29 Government - Local, General Provisions*, the Authority is required to submit a budget annually to the State of Colorado. The Authority annually adopts a budget in December as the complete financial plan for the next fiscal year. During 2024, there were no changes made to the budget as approved by the Authority's board of commissioners.

#### **Risk Management**

The Authority is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters.

**Note 1 - Significant Accounting Policies (Continued)**

***Accounting Changes and Error Corrections***

**Adoption of New Accounting Pronouncement**

During the current year, the Authority adopted GASB Statement No. 101, *Compensated Absences*. As a result, the calculation of compensated absences in the statement of net position reflects the provisions of this new standard. As the impact was not material, the financial statements for the year ended December 31, 2023 were not restated to adopt this new standard in 2024.

**Correction of an Error in Previously Issued Financial Statements**

During fiscal year 2024, the Authority determined that the accounting treatment and obligation to provide funding to the City and County of Denver, Colorado for the 16th Street Mall Reconstruction project meet the criteria under Governmental Accounting Standards Board (GASB) No. 33 of a reimbursement-based voluntary nonexchange transaction, for which expenses and liabilities due to be paid by the Authority should be recorded as costs are incurred on the project and reimbursed by the Authority. In 2021, \$58,595,195 was fully recognized as expense and accrued as a liability for the full project amounts, following the execution of the related cooperation and funding agreements. The liability was reduced through the reimbursement of costs in fiscal years 2021 (\$9,549,124) and 2023 (\$15,555,483), with \$33,490,588 still outstanding as a liability for the fiscal year ended December 31, 2023. As a result, fund balance and net position at the beginning of the fiscal year ended December 31, 2024 have been adjusted for the effects of the restatement on prior years. The effects of correcting that error are shown the table below.

**Adjustments to and Restatements of Beginning Balances**

The changes noted above resulted in adjustments to and restatements of beginning net position and fund balance as follows:

	December 31, 2023		December 31, 2023
	As Previously Reported	Error Correction	As Restated
Government-wide	\$ (14,156,950)	\$ 33,490,588	\$ 19,333,638
Governmental funds - Capital Projects Fund	\$ 72,644,046	\$ 33,490,588	\$ 106,134,634

**Upcoming Accounting Pronouncements**

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2025.

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2026.

**December 31, 2024**

**Note 1 - Significant Accounting Policies (Continued)**

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2026.

**Note 2 - Cash and Investments**

A summary of cash and investments is as follows:

Petty cash	\$ 500
Cash deposits	59,299,688
Investments	91,762,339
	<u>\$ 151,062,527</u>
Total cash and investments	<u>\$ 151,062,527</u>

The above amounts are classified in the financial statements as follows:

Cash and equivalents	\$ 9,490,157
Investment securities	39,663,313
Restricted cash and equivalents	49,810,031
Restricted investment securities	52,099,026
	<u>\$ 151,062,527</u>
Total	<u>\$ 151,062,527</u>

The Authority's cash and investments are subject to several types of risk, which are examined in more detail below:

***Custodial Credit Risk of Bank Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires deposits to be held by eligible public depositories. Eligibility is determined by state regulations. At December 31, 2024, state regulatory commissioners indicated that all financial institutions holding deposits for the Authority are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral, as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits. Because the Authority's bank deposits are either insured by federal insurance or collateralized under the PDPA, such deposits are not exposed to custodial credit risk.

The Authority's investment policy states that any repurchase agreements shall have a minimum market value (including interest) at least equal to 102 percent of the transaction. Collateral for any investment is held by the Authority's custodian bank as safekeeping agent, and the market value of the collateral securities is marked to the market daily.

At December 31, 2024, the Authority had deposits with financial institutions with a carrying amount of \$36,598,436. Of these balances, \$250,000 was covered by the Federal Deposit Insurance Corporation for 2024 and \$36,348,436 was covered by collateral held by authorized financial institutions in the Authority's name (PDPA) in 2024.

Additionally, at December 31, 2024, the Authority had trust accounts with financial institutions with a carrying amount of \$22,023,152. Of these balances, \$500,000 was covered by the Federal Deposit Insurance Corporation for 2024; however, since these amounts are held in money market accounts, the financial institutions do not collateralize the funds held, and, therefore, they are not covered by the PDPA.

**Note 2 - Cash and Investments (Continued)**

***Custodial Credit Risk of Investments***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. By definition, investments in external investment pools and money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

***Interest Rate Risk***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. This risk is commonly measured by the duration of an investment. The Authority's investment policy limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

As of December 31, 2024, the Authority has the following investments subject to interest rate risk:

Primary Government	Fair Value	Less Than 1 Year	1-5 Years
U.S. Treasury notes	\$ 33,552,947	\$ 6,851,273	\$ 26,701,674
Corporate notes	2,355,489	251,330	2,104,159
Federal agency bonds/notes	3,076,853	291,454	2,785,399
Federal agency collateralized mortgage obligations	6,452,444	-	6,452,444
Municipal bond/note	885,412	-	885,412
Supra-national agency bond/notes	1,922,694	-	1,922,694
Local government investment pools	40,896,563	40,896,563	-
Total	<u>\$ 89,142,402</u>	<u>\$ 48,290,620</u>	<u>\$ 40,851,782</u>

***Credit Risk***

Credit risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the Authority. Colorado statutes specify the investments in which the Authority may invest, which include the following:

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

The above investments are authorized for all funds and fund types used by Colorado governments. These investments must have a credit rating of AAA by Standard and Poor's and a rating of Aaa from Moody's.

December 31, 2024

**Note 2 - Cash and Investments (Continued)**

At December 31, 2024, the Authority held \$678,401 in the Colorado Local Government Liquid Asset Trust (COLOTRUST) and \$40,218,162 in the Colorado Statewide Investment Program (CSIP). COLOTRUST and CSIP are investment vehicles established by state statute for local government entities in Colorado to pool surplus funds for investment purposes that are registered with the State Securities Commissioner. They operate similarly to a government money market fund. The underlying investments are measured at the investments' net asset value, and each share of the fund is equal in value to \$1.00. CSIP investments are reported at amortized cost, which is not considered significantly different from fair value. There are no limitations or restrictions on withdrawal for either fund. Both funds carry an AAAM from Standards and Poor's. The majority of securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained by the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of the pool consist of U.S. Treasury and U.S. Agency securities and repurchase agreements by U.S. Treasury and U.S. Agency securities. All the Authority's funds held in COLOTRUST are held in the PLUS+ investment fund, and those held in CSIP are held in the CSIP Liquid Portfolio.

The credit ratings of the remaining investments held by the Authority are shown in the table below. As U.S. Treasury securities are explicitly guaranteed by the U.S. government, disclosure of credit ratings on these securities is not required by generally accepted accounting principles.

Investment	Carrying Value	S & P Rating	Moody's Rating
Federal agency collateralized mortgage obligation	\$ 6,452,444	AA+	Aaa
Federal agency bond/notes	3,076,853	AA+	Aaa
Corporate notes	2,355,489	AA- to A+	Aa3 to Aa1
Supra-national agency bond/notes	1,922,694	AAA	Aaa
Municipal bonds/notes	885,412	AA- to AAA	Aa2 to Aa1
Certificates of deposit	736,640	A+ - A-1+	P-1 - Aa2
Local government investment pools	40,896,563	AAAM	-
Total	<u>\$ 56,326,095</u>		

The Authority held \$33,552,947 of U.S. government securities as of December 31, 2024. As these securities are explicitly backed by the full faith and credit of the United States government, they are excluded from the above table.

December 31, 2024

**Note 2 - Cash and Investments (Continued)**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Authority's investment policy states the following restrictions on investments with a single issuer along with the rating restrictions of the Nationally Recognized Statistical Ratings Organization (NRSRO):

Security Type	Maximum Portfolio %	Maximum Issuer %	Maturity Restrictions	Rating Restrictions
U.S. Treasuries	100%	100%	5 years	N/A
Federal agencies and instrumentalities	100%	35%	5 years	AA- by 2 NRSROs
Municipal bonds of a Colorado issuer	35%*	5%*	5 years	A- by 2 NRSROs
Municipal bonds of a non-Colorado issuer	35%*	5%*	5 years	AA- by 2 NRSROs
Municipal bonds, school district certificates of participation	35%*	5%*	5 years	A- by 2 NRSROs
Corporate bonds	35%	5%	3 years	AA- by 2 NRSROs
Commercial paper	35%	5%	270 days	A-1 by 2 NRSROs
Time certificates of deposit (time CDs)	5%	2%	1 year	N/A
Banker acceptances	35%	5%	1 year	A-1 by 2 NRSROs
Repurchase agreements	100%	25%	180 days	N/A
Money market funds	100%	100%	N/A	AAAm by any NRSRO
Local government investment pools	100%	100%	N/A	AAAm or AAaf by any NRSRO
Negotiable certificates of deposit (CDs)	35%	5%	3 years	AA- or A-1 by 2 NRSROs

\*The aggregate exposure to municipal bonds and notes may not exceed 35 percent of the portfolio, and no more than 5 percent of the portfolio may be invested with a single issuer.

**Fair Value Measurements**

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

**December 31, 2024**

**Note 2 - Cash and Investments (Continued)**

The Authority has the following recurring fair value measurements as of December 31, 2024:

	Assets Measured at Carrying Value on a Recurring Basis at December 31, 2024			
	Quoted Prices in			Balance at December 31, 2024
	Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)	
U.S. Treasury securities	\$ 33,552,947	\$ -	\$ -	\$ 33,552,947
Federal agency bonds and notes	-	3,076,853	-	3,076,853
Corporate notes	-	2,355,489	-	2,355,489
Supra-national agency bond/notes	-	1,922,694	-	1,922,694
Municipal bonds	-	885,412	-	885,412
Collateralized mortgage obligations	-	6,452,444	-	6,452,444
<b>Total</b>	<b>\$ 33,552,947</b>	<b>\$ 14,692,892</b>	<b>\$ -</b>	<b>48,245,839</b>
Investments measured at NAV:				
COLOTRUST				678,401
CSIP				40,218,162
<b>Total investments measured at NAV</b>				<b>40,896,563</b>
<b>Total assets</b>				<b>\$ 89,142,402</b>

**Note 3 - Interfund Balances and Transfers**

Interfund balances represent ongoing operations of the Authority occurring due to numerous transactions between the funds. Amounts are expected to be repaid within a reasonable period of time.

Interfund balances between funds are as follows:

Receivable Fund	Payable Fund			Total
	General Fund	Capital Projects Fund	Enterprise Fund	
General Fund	\$ -	\$ 1,042,096	\$ 204,366	\$ 1,246,462
Capital Projects Fund	429,874	-	-	429,874
Debt Service Fund	-	4,382,561	-	4,382,561
<b>Total</b>	<b>\$ 429,874</b>	<b>\$ 5,424,657</b>	<b>\$ 204,366</b>	<b>\$ 6,058,897</b>

**Note 3 - Interfund Balances and Transfers (Continued)**

At the end of each year, the General Fund transfers any fund revenue in excess of expenditures, net of any assigned fund balance, to the Capital Projects Fund to be used in accordance with the Authority's Development Fund reserve policy. The Authority records tax increment revenue collected related to its redevelopment projects in the Capital Projects Fund. Revenue pledged to senior and junior subordinate debt obligations is subsequently transferred to the Debt Service Fund where debt service payments are made.

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Capital Projects Fund	\$ 371,728
Capital Projects Fund	General Fund	3,042,291
	Debt Service Fund	107,294,048
	Total Capital Projects Fund	110,336,339
Debt Service Fund	General Fund	550,000

The transfer from the General Fund to the Capital Projects Fund represents the transfer of excess revenue over expenditures to the Authority's Development Fund. The transfers from the Capital Projects Fund to the General Fund relate to priority fees earned by the Authority under various redevelopment agreements. The transfers from the Capital Projects Fund to the debt service fund relate to pledged TIF revenue to be made available for debt service payments. The transfer from the debt service fund to the General Fund relates to priority fees earned by the Authority under the 9th & Colorado Redevelopment Agreement.

**Note 4 - Notes Receivable**

***DBH, Ltd.***

In 1992, the Denver Dry Development Corporation, a Colorado nonprofit corporation, was formed for the redevelopment of the Denver Dry Goods Building. The Denver Dry Development Corporation is the general partner of Denver Building Housing, Ltd. (DBH, Ltd.), a Colorado limited partnership. The sole limited partner is Denver Dry Development Limited Partner, LLC.

During 1993, the Authority sold certain portions of the Denver Dry Goods building to DBH, Ltd. The sale price, \$2,225,000, was financed by the buyer in the form of a promissory note to the Authority. The Authority also received two additional notes receivable for expenditures to prepare the building for use, one in the amount of \$437,815 and one in the amount of \$600,000 from DBH, Ltd. A payment of \$600,000 was received on one note during the year ended December 31, 2003, and the Authority loaned an additional \$575,000 to DBH, Ltd. during the year ended December 31, 2004. In 2009, the terms of the notes were modified such that the notes bear no interest and are due only upon the sale of the building and only to the extent of 50 percent of the proceeds of the sale. All notes are secured by the building.

Notes receivable from DBH, Ltd. totaled \$3,322,435 as of December 31, 2024. Repayment of the notes is doubtful, and the receivable has been fully allowed for in the financial statements due to the uncertainty of the timing of the sale of the building and resulting proceeds.

**Note 4 - Notes Receivable (Continued)**

***Dunkeld-14 Co LLC***

In 2014, the Authority, as lender, entered into a loan agreement for \$1,900,000 with Dunkeld-14 Co LLC, as borrower, for purposes of rehabilitating and developing the 414 14th Street Redevelopment Area. The loan includes an interest rate on the outstanding principal balance of 4 percent simple interest per annum and amortization over 25 years. The Authority applies all amounts of incremental property tax, after payment of all amounts due and owing to the Authority, to the outstanding loan balance due each year. Payments are first applied to accrued interest and then to the loan balance. In the event incremental property taxes are not sufficient to make the annual scheduled debt service payment, Dunkeld-14 Co LLC is responsible for paying any shortfalls. During 2014, the borrower drew \$1,689,528 on the loan, and, in 2015, the borrower drew an additional \$210,472 to reach the full \$1,900,000. The outstanding principal balance for the year ended December 31, 2024 totaled \$1,055,399. The Authority has not provided an allowance for losses on this loan and deems the amount to be fully collectible.

***Westwood***

In 2015, the Authority entered into redevelopment and disbursement agreements with two related entities, Westwood Crossing LLLP and Westwood Crossing Commercial LLC, in furtherance of the Westwood Crossing development project, located in the Westwood Urban Renewal Area. Typically, the Authority uses available tax increment to reimburse developers for project costs incurred pursuant to the applicable redevelopment agreements. In this instance, the redevelopers' legal and tax structures required the Authority to structure its financing as a loan rather than a direct reimbursement. Accordingly, these agreements allowed for two loans in the amounts of \$3,382,581 and \$617,419 to be made by the Authority to Westwood Crossing LLLP and Westwood Crossing Commercial LLC, respectively. The loans earn interest at 1 percent per annum, compounded monthly. The loans are subordinate to all other liens and repayment positions on the project, and the timing of their collection is doubtful. The principal balances of \$3,360,820 and \$617,419 as of December 31, 2024 for Westwood Crossing LLLP and Westwood Commercial LLC, respectively, have thus been fully allowed for in the financial statements due to the significant uncertainty in both the potential for and timing of collection.

Refer to Note 11 for the Authority's commitments related to notes that have not yet been disbursed.

**Note 5 - Loans Receivable**

The Authority has entered into several agreements with the City to administer various community development home loan programs. Under certain guidelines, qualified homeowners within the City may borrow funds to rehabilitate single-family housing units.

The major categories of loans are as follows:

***Fully Amortized***

Loans have been made to qualified program applicants under the Authority's Single Family Rehabilitation Program and Denver Water Lead Service Line replacement programs. As of December 31, 2024, the loans outstanding bear interest rates ranging from 1 percent to 2.00 percent per annum.

The loans are payable in monthly installments. All loans are collateralized by the properties on which the money is loaned. The loans originated under this loan category for the year ended December 31, 2024 totaled \$120,000. The Authority provides for losses on all loans more than 30 days delinquent.

The following is a summary of enterprise fund loans receivable transactions under this loan category for the year ended December 31, 2024:

Balance January 1, 2024	Additions	Payments/Write-offs	Change in Allowance	Balance December 31, 2024
\$ 897,552	\$ 120,000	\$ (165,723)	\$ (74,471)	\$ 777,358

December 31, 2024

**Note 5 - Loans Receivable (Continued)**

**Deferred Payment**

Certain applicants to the loan programs qualify for deferred payment home rehabilitation loan through the Single Family Rehabilitation Program or Emergency Home Repair Program. The loans are secured by a perpetual lien, bear 0 percent interest, and are payable only in the event of sale, transfer, or owner non-occupancy during the loan term.

New loans originated under this loan category for the year ended December 31, 2024 totaled \$569,838. Deferred loans outstanding at December 31, 2024 totaled \$20,646,165. Because these amounts are payable only upon the conditions discussed above, they are not recorded in the financial statements.

**Note 6 - Capital Assets**

As of December 31, 2024, capital assets of the Authority consisted of the following:

	Balance January 1, 2024	Additions	Disposals and Adjustments	Balance December 31, 2024
Capital assets being depreciated:				
Computers and equipment	\$ 190,850	\$ -	\$ (98,550)	\$ 92,300
Furniture and fixtures	54,131	-	-	54,131
Leasehold improvements	94,300	-	-	94,300
Subtotal	339,281	-	(98,550)	240,731
Accumulated depreciation	281,036	21,737	(98,550)	204,223
Capital assets - Net	<u>\$ 58,245</u>	<u>\$ (21,737)</u>	<u>\$ -</u>	<u>\$ 36,508</u>

Depreciation expense of \$21,737 for the year ended December 31, 2024 was charged to governmental activities, general government expense in the statement of activities.

The Authority has subscription assets for the year ended December 31, 2024. These assets are long-term software license agreements and are discussed in the subscription liabilities disclosure. The subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying subscription assets.

	Balance January 1, 2024	Additions	Disposals and Adjustments	Balance December 31, 2024
Subscription assets	\$ 155,007	\$ -	\$ -	\$ 155,007
Accumulated depreciation	31,796	15,898	-	47,694
Subscription assets - Net	<u>\$ 123,211</u>	<u>\$ (15,898)</u>	<u>\$ -</u>	<u>\$ 107,313</u>

Amortization expense of \$15,896 for the year ended December 31, 2024 was charged to governmental activities - general government expense in the statement of activities.

December 31, 2024

**Note 7 - Capital Projects**

There are two ways in which the Authority finances urban renewal projects, through the issuance of bonds or through reimbursements to developers for a portion of the developer's project financing. In 2024, the Authority provided financing to 21 reimbursement projects (see Note 11 under *Reimbursement Projects*). Reimbursements to developers are payable solely from incremental tax revenue generated by each project. Tax increment revenue is based on the project's current property value and retail sales performance. The projects financed through the issuance of bonds currently outstanding are as follows:

**Stapleton Project**

The Stapleton Project involves the redevelopment of the former Stapleton International Airport. This 7.5 square mile project, encompassing approximately 4,700 acres, is one of the largest infill developments in the nation. Generally, the project area consists of the land area south of 64th Avenue, east of Quebec Street, west of Havana, and north of Montview Boulevard. The project began in March 2001. The entire project will be developed in a series of phases over a period of approximately 25 years. Once complete, the area is expected to house over 35,000 residents and have approximately 3 million square feet of retail space, approximately 10 million square feet of commercial space, and over 1,100 acres of parks and open space, in addition to numerous schools and community facilities.

**9th and Colorado Project**

The 9th and Colorado Project involves the redevelopment of approximately 32 acres vacated by the relocation of the University of Colorado Health Sciences Center. The project is expected to include residential and commercial land uses planned for completion over a multiyear period.

A summary of redevelopment agreement obligations is provided in Note 11.

**Note 8 - Deferred Inflows/Outflows of Resources**

Deferred outflows of resources and deferred inflows of resources are composed of the following for the year ended December 31 2024:

Deferred outflows of resources - Bond refunding loss being amortized	\$ 1,997,011
Deferred inflows of resources - Property taxes not yet received or for which levy pertains to subsequent year	\$ 169,698,125

Since property tax revenue is collected in arrears during the succeeding year, a receivable and corresponding deferred inflows of resources are reported at year end.

**Note 9 - Long-term Liabilities**

Long-term debt activity for the year ended December 31, 2024 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable	\$ 115,375,000	\$ -	\$ (32,380,000)	\$ 82,995,000	\$ 39,755,000
Premium on bonds payable	6,305,587	-	(3,222,628)	3,082,959	-
Discount on bonds payable	(350,162)	-	21,885	(328,277)	-
Notes payable	3,022,321	-	(207,142)	2,815,179	-
Compensated absences	288,074	112,852	(41,586)	359,340	128,998
Subscription liability	128,707	-	(30,122)	98,585	15,745
<b>Total</b>	<b>\$ 124,769,527</b>	<b>\$ 112,852</b>	<b>\$ (35,859,593)</b>	<b>\$ 89,022,786</b>	<b>\$ 39,899,743</b>

December 31, 2024

**Note 9 - Long-term Liabilities (Continued)**

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:					
Direct borrowings and direct placements - Stapleton Loan Agreement Series 2014D-2 for the Stapleton Project. The interest rates on the loans are 4.100 percent and 4.189 percent, and the loans mature on December 20, 2025 - Note payable to the City and County of Denver, Colorado for Marycrest, to be paid over a 25-year period, with interest accruing at a rate of 2 percent per annum. The maturity date is May 11, 2037	\$ 9,410,000	\$ -	\$ (9,410,000)	\$ -	-
Other debt:					
Stapleton Senior Subordinate Tax Increment Revenue Bonds Series 2010B-1 for the Stapleton Project. The interest rate on the bonds varies from 3.0 percent to 5.0 percent and the bonds mature on December 1, 2025	18,965,000	-	(7,125,000)	11,840,000	11,840,000
Stapleton Senior Tax Increment Revenue Bonds Series 2013A-1 for the Stapleton Project. The interest rate on the bonds is 5.0 percent and the bonds mature on December 1, 2025	40,360,000	-	(14,145,000)	26,215,000	26,215,000
9th and Colorado Tax Increment Revenue Bonds Series 2018A for the 9th and Colorado Project. The interest rate is 5.25 percent and the bonds mature on December 1, 2039	46,640,000	-	(1,700,000)	44,940,000	1,700,000
Total other debt principal outstanding	105,965,000	-	(22,970,000)	82,995,000	39,755,000
Total	\$ 115,375,000	\$ -	\$ (32,380,000)	\$ 82,995,000	\$ 39,755,000

**December 31, 2024**

**Note 9 - Long-term Liabilities (Continued)**

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Stapleton Loan Agreement Series 2014D-2 for the Stapleton Project. The interest rates on the loans are 4.100 percent and 4.189 percent, and the loans mature on December 20, 2025 - Note payable to the City and County of Denver, Colorado, for Marycrest, to be paid over a 25-year period, with interest accruing at a rate of 2 percent per annum. The maturity date is May 11, 2037.	\$ 3,022,321	\$ -	\$ (207,142)	\$ 2,815,179	\$ -

The Authority had deferred outflows of \$1,997,011 related to deferred charges on bond refundings at December 31, 2024.

**Subscription Liabilities**

The Authority has subscription liabilities for a software subscription agreement. The term of the agreement expires in 2031, and there are no variable payments. Long-term liability activity for the year ended December 31, 2024 are as follows:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024	Due Within One Year
Subscription liability	\$ 128,708	\$ -	\$ (14,648)	\$ 114,060	\$ 15,745

Payments are due as follows:

Years Ending December 31	Principal	Interest	Total
2025	\$ 15,745	\$ 8,358	\$ 24,103
2026	16,926	7,162	24,088
2027	18,196	5,877	24,073
2028	19,561	4,495	24,056
2029	21,028	3,010	24,038
2030 - 2031	22,604	1,413	24,017
Total	\$ 114,060	\$ 30,315	\$ 144,375

**Stapleton Obligations**

The Authority has outstanding tax increment revenue bonds totaling \$38,055,000 related to Stapleton obligations.

**December 31, 2024****Note 9 - Long-term Liabilities (Continued)*****2010B-1***

On May 18, 2010, the Authority issued its Stapleton Senior Subordinate Tax Increment Revenue Bonds, Series 2010B-1, in the aggregate principal amount of \$100,740,000 (the "Series 2010B-1 Bonds"), pursuant to the Stapleton Master Trust Indenture dated as of May 1, 2004, and the Series 2010B-1 Supplemental Indenture dated as of April 1, 2010. Proceeds of the Series 2010B-1 Bonds were used to (a) refund and redeem on May 18, 2010 the \$96,510,000 in remaining outstanding principal amount of the Authority's Stapleton Senior Subordinate Tax Increment Revenue Bonds, Series 2004B-1 and (b) pay certain costs incurred by the Authority in connection with the issuance of the Series 2010B-1 Bonds, including the cost of reimbursing the Authority for the termination payment paid by the Authority in connection with the termination on March 9, 2010 of the Series 2008A-1 Lehman Swap Agreement. The reserve account for the Series 2010B-1 Bonds was funded in the amount of \$6,000,000 from a transfer of the amount that had been held in the reserve account for the refunded Series 2004B-1 Bonds. In consideration of certain services provided by the Authority to the City within the Stapleton Urban Redevelopment Area pursuant to a services agreement dated as of April 1, 2010 (the "2010 City/Authority Services Agreement") between the City and the Authority, the City agreed that the City's manager of finance will submit a request for appropriation to the City Council of the City for the purpose of replenishing the Series 2010B-1 Reserve Account to the Series 2010B-1 Reserve Requirement following any draw thereon (payments by the City to the Authority of such appropriated amounts being referred to in the 2010 City/Authority Services Agreement as the Supplemental Payments). The Authority will be obligated, subject to the terms and provisions of the 2010 City/Authority Services Agreement and of the Stapleton Master Indenture, to reimburse the City for any Supplemental Payments. Pursuant to the Series 2010B-1 Supplemental Indenture, this obligation is deemed to be a Junior Bond of the Authority under the Stapleton Master Indenture.

Pursuant to the Series 2010B-1 Supplemental Indenture, the Authority retained the option to purchase the Series 2010B-1 Bonds from the bondholders thereof on any date on or after December 1, 2015 at a purchase price equal to the principal amount of the Series 2010B-1 Bonds so purchased (with no tender premium), plus accrued interest to the purchase date. On December 23, 2015, the Authority, pursuant to a Series 2010B-1 2015 Remarketing Supplemental Indenture, exercised this option and (a) purchased all of the then-outstanding Series 2010B-1 Bonds, in the aggregate principal amount of \$76,680,000; (b) remarketed and resold to new bondholders \$67,700,000 in principal amount of the Series 2010B-1 Bonds at a resale price of \$77,536,205; and (c) used the \$9,836,205 premium included in such purchase price to (i) pay the accrued interest on the purchased Series 2010B-1 Bonds, (ii) pay the costs incurred by the Authority in connection with such remarketing and resale, including underwriters' discount, and (iii) pay and cancel the remaining \$8,980,000 principal amount of the Series 2010B-1 Bonds.

**December 31, 2024****Note 9 - Long-term Liabilities (Continued)****2013A-1**

On March 28, 2013, the Authority issued its Stapleton Senior Tax Increment Revenue Bonds, Series 2013A-1, in the aggregate principal amount of \$171,265,000 (the "Series 2013A-1 Bonds") pursuant to the Stapleton Master Trust Indenture and the Series 2013A-1 Supplemental Indenture dated as of March 1, 2013 (the "Series 2013A-1 Supplemental Indenture"). Proceeds of the Series 2013A-1 Bonds, together with amounts released from certain accounts maintained under the Stapleton Master Trust Indenture with respect to the Refunded Bonds (defined below) and amounts received by the Authority in connection with the termination of certain guaranteed investment contracts were used to (a) refund and redeem on April 1, 2013 the \$71,220,000 in remaining outstanding principal amount of Authority's Stapleton Senior Tax Increment Revenue Bonds, Series 2008A-1 (the "Series 2008A-1 Bonds"); (b) refund and redeem on April 1, 2013 the \$95,610,000 in remaining outstanding principal amount of Authority's Stapleton Senior Tax Increment Revenue Bonds, Series 2008A-2 (the "Series 2008A-2 Bonds" and, together with the Series 2008A-1 Bonds, the "Refunded Bonds"); (c) fund an account relating to the Series 2013A-1 Bonds of the reserve fund maintained for the Senior Bonds under the Stapleton Master Indenture in the amount of \$9,300,000; (d) pay the costs of terminating certain swap agreements relating to the Refunded Bonds and certain irrevocable letters of credit providing credit support for the Refunded Bonds; and (e) pay certain costs incurred by the Authority in connection with the issuance of the Series 2013A-1 Bonds.

**2013D-2**

On July 8, 2013, the Authority and Denver Public Schools (DPS) entered into a Second Supplement to Amended and Restated Stapleton School Funding Agreement (the "Second School Funding Agreement Supplement"). In connection with the execution of the Second School Funding Agreement Supplement, the Authority executed the Series 2013D-2 DPS Junior Subordinate Bond Supplemental Trust Indenture dated as of July 8, 2013, pursuant to which this reimbursement obligation is deemed to be a Junior Subordinate Bond of the Authority under the Stapleton Master Indenture. As the 2013D-2 Junior Subordinate Bond is a reimbursement obligation, subject to the availability of pledged revenue as defined in the Stapleton Master Indenture, it is not included as a bond payable and will be expensed as payments are made consistent with the accounting treatment of other developer reimbursement obligations. Under the Second School Funding Agreement Supplement, DPS agreed to advance up to \$58,715,000, of the actual development costs of two additional schools at Stapleton. The Authority is obligated, subject to the terms and provisions of the Second School Funding Agreement Supplement and of the Stapleton Master Indenture, to reimburse DPS for the advances, together with certain related financing and administrative costs, in an amount of up to \$81,799,825. Actual development project costs submitted by DPS were \$57,474,700 and the total maximum reimbursement, including financing and administrative costs to DPS, was revised to \$80,488,461.

**December 31, 2024****Note 9 - Long-term Liabilities (Continued)****2014D-2**

On December 23, 2014, the Authority issued its Stapleton Junior Subordinate Tax Increment Revenue Bonds, Series 2014D-2, in an aggregate principal amount of up to \$60,000,000 (the "Series 2014D-2 Bonds") evidenced by a direct borrowing between the Authority and Compass Mortgage Corporation and Vectra Bank Colorado National Association (the "Series 2014D-2 Banks"). The bonds were issued pursuant to the Stapleton Master Indenture and the Series 2014D-2/3/4 Supplemental Trust Indenture dated as of December 23, 2014 (the Series 2014D-2/3/4 Supplemental Indenture). The Series 2014D-2 Bonds evidence amounts payable by the Authority pursuant to a Loan Agreement dated as of December 23, 2014 (the Series 2014D-2 Loan Agreement) between the Authority and Compass Mortgage Corporation and Vectra Bank Colorado National Association. The loan made pursuant to the Series 2014D-2 Loan Agreement (the "Series 2014D-2 Loan") was a drawdown loan, with \$36,000,000 in principal amount drawn by the Authority at closing. Proceeds of such initial draw were used and will be used to (a) finance additional development at Stapleton, (b) repay the outstanding amounts advanced by Park Creek under the Second Master Redevelopment Agreement Supplement and discharge the Authority's repayment obligation thereunder, (c) repay the outstanding amounts advanced by Park Creek under the Third Master Redevelopment Agreement Supplement and discharge the Authority's repayment obligation thereunder, and (d) pay certain costs incurred by the Authority in connection with the issuance of the Series 2014D-2 Bonds. On December 18, 2015, the Authority drew an additional \$24,000,000 in principal amount on the Series 2014D-2 Loan, representing all of the remaining undrawn principal amount. Proceeds of such draw were used and will be used to finance additional development at Stapleton and pay costs incurred by the Authority in connection with making such draw. The Series 2014D-2 Bonds were fully repaid in 2024.

To induce the Series 2014D-2 Banks to make the Series 2014D-2 Loan available to the Authority, the Authority and the City agreed, in a Fourth Amendment to Stapleton Urban Redevelopment Area Cooperation Agreement between the Authority and the City dated as of December 23, 2014 (the "Fourth Cooperation Agreement Amendment") and a 2014 City/Authority Services Agreement dated as of December 23, 2014 between the Authority and the City (the "2014 City/Authority Services Agreement"), to permit the use of moneys on deposit in the City Retained Taxes Fund (as defined in the Stapleton Master Indenture) for payment, subject to the priority of payment set forth in the Stapleton Master Indenture, of all payment obligations of the Authority under the Series 2014D-2 Loan Agreement, to the extent that pledged revenue (as defined in the Stapleton Master Indenture) otherwise available for such repayment are insufficient. The amendments made by the Fourth Cooperation Agreement Amendment are reflected in conforming amendments made to the Stapleton Master Indenture by the Series 2014D-2/3/4 Supplemental Indenture. Pursuant to the 2014 City/Authority Services Agreement, the Authority is obligated, subject to the terms and provisions thereof and of the Stapleton Master Indenture and the Series 2014D-2/3/4 Supplemental Indenture, to reimburse the City for any such amounts withdrawn from the City Retained Taxes Fund, which reimbursement obligation is, pursuant to the Series 2014D-2/3/4 Supplemental Indenture, designated as the 2014D-3 Junior Subordinate Bond.

**2014 Subordinate Bond**

In consideration for making amounts in the City Retained Taxes Fund available for such payments, the Authority has agreed in the 2014 City/Authority Services Agreement to pay to the City an amount equal to 20 percent of incremental sales and property taxes collected in 2025, which was estimated to be \$16,000,000 in 2014 subject to the limitations of the Stapleton Master Indenture, the Series 2014D-2/3/4 Supplemental Indenture, and the 2014 City/Authority Services Agreement, which obligation is, pursuant to the Series 2014D-2/3/4 Supplemental Indenture, designated as the 2014D-4 Junior Subordinate Bond. The current estimate of amounts equal to 20 percent of incremental sales and property taxes collected in 2025 that will be available in the City Retained Taxes Fund and paid to the City is \$20,179,498. Due to the contingent nature of this obligation, it is not currently recorded as a bond payable.

**Note 9 - Long-term Liabilities (Continued)*****Series 2017 D-1/2/3/4/5***

On July 26, 2017, the Authority finalized the following agreements with an effective date of May 15, 2017, for the purpose of paying the costs of certain trunk infrastructure at Stapleton described below: (a) the Third Supplement to Amended and Restated Stapleton School Funding Agreement between the Authority and DPS (the "Third Supplement to School Funding Agreement"), (b) the Second Supplemental Infrastructure Funding Agreement between the Authority and the City (the "City Second Supplemental Infrastructure Funding Agreement"); and (c) the Fifth Supplement to Amended and Restated Master Redevelopment Agreement between the Authority and Park Creek (the "Fifth Master Redevelopment Agreement Supplement"). As the 2017 D-1/2/3/4/5 Junior Subordinate Bond is a reimbursement obligation, subject to the availability of pledged revenue as defined in the Stapleton Master Indenture, it is not included as a bond payable and will be expensed as payments are made consistent with the accounting treatment of other developer reimbursement obligations.

Under the Third Supplement to School Funding Agreement, DPS agreed to advance \$7,050,000 to fund the actual development costs of the acquisition of a new school site and up to \$9,400,000 for the actual development costs of the construction by the City of a new fire station (the "North Fire Station") in the vicinity of such school site, and the Authority is obligated, subject to the terms and provisions of the Third Supplement to School Funding Agreement and of the Stapleton Master Indenture, to reimburse DPS for the actual development costs so advanced by DPS, together with certain related financing and administrative costs, in an amount up to \$18,699,833. Additionally, the Third Supplement to School Funding Agreement obligates the Authority to annually transfer to DPS certain amounts attributable to a new DPS mill levy to facilitate DPS constructing a new school at such school site. Pursuant to the Stapleton Master Indenture and the Series 2017D-1/2/3/4/5 Supplemental Trust Indenture dated as of May 15, 2017 (the "Series 2017D-1/2/3/4/5 Supplemental Indenture") between the Authority and the trustee, such obligations are deemed to be separate Junior Subordinate Bonds (the "Series 2017D-1 DPS Junior Subordinate Bond" and the "Series 2017D-2 DPS Junior Subordinate Bond," respectively).

Under the City Second Supplemental Infrastructure Funding Agreement, the City agreed to advance up to \$940,000 for the actual development costs of the North Fire Station to the extent that such actual development costs exceeded the \$9,400,000 agreed to be advanced therefore by DPS and further agreed to advance up to \$8,400,000 for the actual development costs of the construction of the second span of the Central Bark Boulevard bridge over Sand Creek (the CPB Bridge). Pursuant to the City Second Supplemental Infrastructure Funding Agreement, the Authority is obligated, subject to the terms and provisions thereof and of the master indenture, to reimburse the City for the actual development costs actually advanced by the City for such projects, and pursuant to the Stapleton Master Indenture and the Series 2017D-1/2/3/4/5 Supplemental Indenture, such obligations are deemed to be separate Junior Subordinate Bonds (the "Series 2017D-3 City Junior Subordinate Bond" and the "Series 2017D-5 City Junior Subordinate Bond," respectively). The 2017D-5 obligation related to the \$8,400,000 advanced by the City for the construction of the CPB Bridge expansion is an eligible reimbursement expense that DURA owes to the City and expects to pay in 2025.

Under the Fifth Master Redevelopment Agreement Supplement, Park Creek agreed to advance up to \$840,000 for the funding of the actual development costs of the CPB Bridge to the extent that such actual development costs exceeded the \$8,400,000 agreed to be advanced by the City, and the Authority is obligated, subject to the terms and provisions thereof and of the master indenture, to reimburse Park Creek for the actual development costs actually advanced by Park Creek. Pursuant to the Stapleton Master Indenture and the Series 2017D-1/2/3/4/5 Supplemental Indenture, such obligation is deemed to be a Junior Subordinate Bond (the "Series 2017D-4 DPS Park Creek Junior Subordinate Bond").

**Note 9 - Long-term Liabilities (Continued)**

Construction was completed on the North Fire Station, and the actual development costs did not exceed the \$9,400,000 advanced by DPS pursuant to the Third Supplement to School Funding Agreement. Consequently, the Authority does not expect that any excess actual development costs will need to be advanced by the City under the City Second Supplemental Infrastructure Funding Agreement, and, as a result, the Authority does not expect to be required to make any reimbursements represented by the Series 2017D-3 City Junior Subordinate Bond.

Additionally, construction was completed on the CPB Bridge, and the actual development costs did not exceed the \$8,400,000 advanced by the City. Consequently, the Authority does not expect that any excess actual development costs will need to be advanced by Park Creek under the Fifth Master Redevelopment Agreement Supplement, and, as a result, the Authority does not expect to be required to make any reimbursements represented by the Series 2017D-4 Park Creek Junior Subordinate Bond.

The holders of the outstanding Junior Subordinate Bonds agreed to a priority of payment thereof within the Junior Subordinate Tier whereby a Junior Subordinate Bond incurred prior in time shall be payable according its terms on a basis senior to a Junior Subordinate Bond incurred later in time, and, among Junior Subordinate Bonds incurred simultaneously (including the Series 2014D-2 Junior Subordinate Bond, the Series 2014D-3 Junior Subordinate Bond, and the Series 2014 D-4 Junior Subordinate Bond, and, separately, the Series 2017D-1 DPS Junior Subordinate Bond, the Series 2017D-2 DPS Junior Subordinate Bond, the Series 2017D-3 City Junior Subordinate Bond, the Series 2017D-4 Park Creek Junior Subordinate Bond, and the Series 2017D-5 City Junior Subordinate Bond), on a priority basis indicated by the final numeral in the name of the bond.

The 2017D-3 and 2017D-4 were contingent obligations. After the completion of the City Second Supplemental Infrastructure Funding Agreement and the Fifth Master Redevelopment Agreement Supplement, advances related to the actual development costs of the North Fire Station and the actual development costs of the construction of the second span of the Central Bark Boulevard bridge over Sand Creek (the CPB Bridge) were no longer required. Accordingly, the contingent obligations to reimburse the City and Park Creek via the Junior Subordinate Bonds, Series 2017D-3, 2017D-4, to fund these costs no longer exist.

**9th and Colorado Tax Increment Revenue Bonds Series 2018A**

The 9th and Colorado Project involves the redevelopment of approximately 32 acres vacated by the relocation of the University of Colorado Health Sciences Center. The project includes residential and commercial land uses planned for completion over a multiyear period.

The proceeds of the Series 2018A Bonds were issued for the purposes of (i) financing and reimbursement of a portion of certain costs of constructing public improvements, and other related costs, necessary to support the development, (ii) funding a bond reserve fund for the Series 2018A Bonds, (iii) paying capitalized interest on the Series 2018A Bonds, and (iv) paying certain costs of issuance related to the Series 2018A Bonds.

A portion of the proceeds of the Series 2018A Bonds (the “Restricted Proceeds Term Bond”) were deposited to the Restricted Amounts Subaccount of the Project Fund and subject to transfer to the Unrestricted Amounts Subaccount and released to 9th Avenue Land LLC in accordance with the Bond Proceeds Holdback and Release Agreement upon the satisfaction of certain development milestones with respect to the 9th and Colorado Project.

As of September 18, 2021, certain development milestones were not satisfied with respect to the project. Accordingly, any proceeds of the Restricted Proceeds Term Bond that were on deposit in the Restricted Amounts Subaccount or the Unrestricted Amounts Subaccount on such date, were used, together with a pro rata amount from the Series 2018A Senior Bond Reserve Account, to redeem the Restricted Proceeds Term Bond on October 18, 2021. On that date, \$13,210,000 of the \$63,720,000 outstanding 2018A Bonds was duly called for extraordinary redemption. The balance in the Restricted Amounts Subaccount of the Project Fund as of December 31, 2024 was \$0.

**Note 9 - Long-term Liabilities (Continued)**

Following the extraordinary mandatory redemption of the bonds, any development costs that would have been payable from the Restricted Proceeds Term Bond, upon approval by the Authority, became an obligation of the Authority in the form of a Junior Subordinate Bond issued to the redeveloper and subject to repayment, including interest, under the terms of the Supplemental Trust Indenture.

A summary of redevelopment agreement obligations is provided in Note 11.

**Debt Service Requirements to Maturity**

Annual debt service requirements to maturity for the previously described, outstanding bonds are as follows:

Years Ending December 31	Bonds Payable		Subscription Liabilities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 39,860,000	\$ 4,262,100	\$ 15,745	\$ 8,358	\$ 44,146,203
2026	1,970,000	2,264,588	16,926	7,162	4,258,676
2027	2,070,000	2,161,163	18,196	5,877	4,255,236
2028	2,180,000	2,052,488	19,561	4,495	4,256,544
2029	2,295,000	1,938,038	21,028	3,010	4,257,076
2030-2034	13,405,000	7,751,888	22,604	1,413	21,180,905
2035-2039	21,215,000	3,844,575	-	-	25,059,575
Total	\$ 82,995,000	\$ 24,274,840	\$ 114,060	\$ 30,315	\$ 107,414,215

**Note 10 - Retirement Plan**

The Authority maintains a defined contribution retirement plan organized in accordance with the provisions of Section 401(a) of the Internal Revenue Code. The contribution requirements of plan members and the Authority are established and may be amended by the board of commissioners. Irrevocable upon an election to participate, employees with six consecutive months of service are required to contribute 5 percent of their compensation to the plan. The Authority contributes 10 percent of the employees' compensation to the plan. Participants in the plan are vested in the Authority's contribution as follows: 20 percent after one year of participation, 40 percent after two years of participation, and 100 percent after three years of participation. During the year ended December 31, 2024, the Authority's contribution to the plan totaled \$120,710, and the employee contributions totaled \$60,355, which are equal to the required contributions. The plan investments are administered by Mission Square Retirement Corporation, formerly known as ICMA-RC.

**Note 11 - Commitments and Contingencies**

**Denver Dry Building**

In connection with the Authority's development of the Denver Dry Building, the Authority has guaranteed certain loans made to DBH, Ltd. by the Bank of Denver with an outstanding balance as of December 31, 2024 of \$1,954,425. In addition, the Authority has guaranteed all obligations of the Denver Dry Development Corporation as general partner, under the terms and conditions of the limited partnership agreement of DBH, Ltd. No amounts have been recorded as a liability in these financial statements, as management believes the possibility of having to make payments under these guarantees is remote.

**Note 11 - Commitments and Contingencies (Continued)**

**Contracts**

Contracts from governmental entities are governed by various rules and regulations of the contractor agencies. Under the terms of the contracts, costs charged to the contracts are subject to audit and adjustment by the contractor agency. Such audit could lead to reimbursement to the contractor agency. Management believes there are no significant contingent liabilities relating to compliance with the rules and regulations governing the contracts the Authority has received. Therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**Stapleton City Retained Taxes**

This major residential and commercial development, which provides new housing and job opportunities, calls for providing the same city services that other residents of Denver enjoy. To mitigate a portion of the impact that Stapleton development will have on the City's General Fund, the City intended to retain a portion of the tax increment in consideration for services and facilities that the City provides to the redevelopment area (the "City Retained Taxes"). As the City's need to provide services to the Stapleton neighborhoods increased through the years, the City's share of the tax increment increased as shown below, with the exception of the final year of tax increment collection in 2025. The details of this revenue split are included in a cooperation agreement between the Authority and the City. In 2004, the City agreed to subordinate its retained portion of tax increment revenue generated in the Stapleton Urban Redevelopment Area to Stapleton Project bond debt service. Under the amended cooperation agreement, the Authority agreed to return the City Retained Taxes amount not used for debt service in December of each year. In 2024, the Authority returned \$52,332,468 of retained amounts not used for debt service.

Years		
1-5	2000-2004	0%
6-10	2005-2009	13%
11-15	2010-2014	22%
16-20	2015-2019	30%
21-25	2020-2024	47%
	2025	20%

**Reimbursement Projects**

The Authority has entered into various redevelopment agreements (the "Agreements") with various redevelopers, where the redeveloper agreed to construct certain improvements under specific urban renewal plans approved by the City. Under the Agreements, the Authority reimburses the redeveloper, generally with interest, in a principal amount not to exceed the maximum reimbursable project costs specified in the Agreements. These reimbursements are payable solely from incremental sales and/or property tax revenue generated by the project and are not a general obligation of the Authority's tax increment revenue is based on the project's current property value and retail sales performance. As the collectibility of a project's tax increment is uncertain, the obligation is not recorded as a reimbursement liability in these financial statements. The Redevelopment Agreements have various original expiration terms, up to a maximum of 25 years.

December 31, 2024

**Note 11 - Commitments and Contingencies (Continued)**

The Agreements have additional provisions paid by the developer, which generally include monthly administrative fees, an annual priority fee, or a participating interest fee upon sale or refinance of the project and participation by the Authority in the net cash flow from the property through the termination date. In the case of the downtown projects, the City is considered the developer. For those reimbursement obligations that were approved and where available tax increment will be used to pay for approved expenditures, available cash has been restricted and expenditures have been accrued in the Capital Projects Fund to the extent of incurred costs for work completed as of December 31, 2024.

	Maximum Reimbursable Project Costs per Redevelopment Agreement	Reimbursable Project Costs Approved as of December 31, 2024	Cumulative Principal Payments Made	Unpaid Approved Reimbursable Project Costs as of December 31, 2024	Accrued TIF/ Reimbursement Obligation as of December 31, 2024
9th & Colorado	\$ 12,186,923	\$ 11,708,323	\$ -	\$ 11,708,323	\$ 24,000
101 Broadway	2,800,000	2,800,000	-	2,800,000	25,872
2300 Welton	769,000	769,000	769,000	-	-
2460 Welton	1,350,000	1,350,000	596,989	753,011	-
2560 Welton	4,200,000	4,200,000	126,425	4,073,575	13,540
2801 Welton	350,000	350,000	21,993	328,007	10,559
3015 E. Colfax Avenue	5,550,000	-	-	-	-
38th & Huron	12,100,000	-	-	-	-
Colorado National Bank	10,000,000	10,000,000	10,000,000	-	-
Downtown projects	91,547,149	76,497,926	64,155,635	12,342,291	12,342,291
Emily Griffith Opportunity School	21,800,000	21,800,000	952,087	20,847,913	9,952
Evans School	3,300,000	-	-	-	-
Fox Park	157,729,666	-	-	-	-
Globeville	18,315,000	1,364,250	1,364,250	-	-
I-25 and Broadway	89,438,030	43,605,480	-	43,605,480	-
Marycrest - Subordinate	650,000	56,028	-	56,028	-
National Western Center - RTA	121,500,000	-	-	-	-
Source - 3330 Brighton Blvd	6,500,000	6,500,000	3,723,060	2,776,940	99,403
St. Anthony - Sloans Block 3	6,995,000	6,995,000	4,396,436	2,598,564	24,418
St. Anthony - Sloans Block 9	5,555,555	5,501,089	1,863,933	3,637,156	-
Stapleton - 2013 D-2 Junior Subordinate Bond	58,715,000	57,474,700	49,622,614	7,852,086	-
Stapleton - 2017 D-1 DPS Junior Subordinate Bond	16,450,000	16,348,234	12,830,260	3,517,973	-
Stapleton - 2017 D-5 City Junior Subordinate Bond	8,400,000	8,400,000	-	8,400,000	-
Sun Valley	10,500,000	10,395,000	-	10,395,000	-
<b>Total</b>	<b>\$ 666,701,323</b>	<b>\$ 286,115,030</b>	<b>\$ 150,422,682</b>	<b>\$ 135,692,347</b>	<b>\$ 12,550,035</b>

In addition, the Authority has entered into various intergovernmental agreements (IGA) and cooperation agreements with various other taxing entities for its redevelopment projects. As of January 1, 2016, pursuant to Colorado State Law 31-25-107(9.5), the Authority is required to enter into agreements with the other taxing entities prior to the approval of an Urban Renewal Plan, to ensure that there is agreement about the types and limits of tax revenue of each taxing entity to be allocated to the Plan. Additionally, the Authority may elect to enter into additional agreements with the City that further limit the amount of tax revenue allocated to a particular Urban Renewal Plan.

**Note 11 - Commitments and Contingencies (Continued)**

Under these agreements, the Authority has agreed to pass certain amounts of tax increment revenue through to the City or other taxing entities for purposes defined within the agreements. These agreements can generally be broken into two types: those for which a defined maximum amount of tax increment revenue (project costs) must be transferred to the extent of available tax increment and those for which all available tax increment revenue for a specific special taxing district must be transferred. The obligations of the Authority under these IGA and cooperation agreements are payable solely from incremental sales and/or property tax revenue generated by the project and are not a general obligation of the Authority. Tax increment revenue is based on the project's current property value and retail sales performance. As the collectibility of a project's tax increment is uncertain, these obligations are not recorded as reimbursement liabilities in the Authority's financial statements.

The following table provides detailed information relating to the various IGA and cooperation agreements with defined maximum reimbursable project costs that the Authority has entered into as part of its redevelopment projects. The table includes the eligible maximum reimbursable project costs and the unpaid maximum reimbursable costs as of December 31, 2024. Amounts arising from certain Stapleton Junior Subordinate bonds are included, as these obligations are payable only to the extent that tax increment revenue is available and are not recorded as bond liabilities in the Authority's financial statements.

IGA and cooperation agreements for which no maximum reimbursable project costs exist are not included in the chart below, as all available tax increment generated is transferred to the other taxing entities upon receipt by the Authority. Accordingly, there were no unpaid maximum reimbursable project costs as of December 31, 2024.

	Maximum Reimbursable Project Costs per IGA/Cooperation Agreement	Maximum Payments Approved as of December 31, 2024	Cumulative Principal Payments Made	Unpaid Eligible Maximum Payments as of December 31, 2024
9th & Colorado - City Services Adams County Fire Protection District (Globeville Project) (estimated)	\$ 6,300,000	\$ 2,100,000	\$ 2,100,000	\$ -
St. Anthony DPS School Support	741,135	426,519	426,519	-
38th & Huron DPS School Support	2,500,000	2,500,000	2,500,000	-
Fox Park DPS School Support	922,000	922,000	-	922,000
27th & Larimer DPS School Support	1,840,000	1,840,000	-	1,840,000
Stapleton - 2014 D-4 Junior Subordinate Bond	3,365,000	3,365,000	70,000	3,295,000
Stapleton - 2017 D-2 DPS Junior Subordinate Bond	20,179,498	-	-	-
	24,594,723	20,795,784	20,795,784	-
Total	<u>\$ 60,442,356</u>	<u>\$ 31,949,303</u>	<u>\$ 25,892,303</u>	<u>\$ 6,057,000</u>

**Undisbursed Loan Commitments**

The Authority has committed to fund loans and grants during the year that were not fully disbursed as of year end. The total undisbursed loan and grant commitments as of December 31, 2024 were \$43,096.

**Note 11 - Commitments and Contingencies (Continued)**

***3015 E Colfax***

In 2024, the Authority entered into a redevelopment agreement with All Inn Hotel, LLC for purposes of redeveloping the 3015 E. Colfax Urban Redevelopment Project. The sole financing provided by the Authority is the payment of reimbursable project costs defined in the redevelopment agreement through the disbursement of funds from two loans - the "Authority Loan" and the "Bridge Loan." Both loans were entered into effective June 27, 2024.

The \$4,200,000 Authority Loan includes an interest rate on the outstanding principal balance of 2 percent simple interest per annum and amortization over 24 years. Interest-only payments will be due for the first three years. Upon conclusion of the interest-only period, payment of principal and interest will be due annually over the remaining 21 years. All Inn Hotel, LLC has funded an interest reserve in the amount of \$123,000. The interest reserve will be used to pay interest due on the Authority Loan during the first 18 months of the interest-only period, to the extent of funds available. The Authority will apply all amounts of incremental property and sales tax, after payment of all amounts due and owing to the Authority, to the outstanding loan balance due each year. Payments are first applied to accrued interest and then to the Authority Loan balance. In the event incremental taxes are not sufficient to make the annual scheduled debt service payment, All Inn Hotel, LLC is responsible for paying any shortfall.

The \$1,350,000 Bridge Loan includes an interest rate on the outstanding principal balance of 5 percent simple interest per annum with a final maturity date of December 20, 2029. The Bridge Loan will be repaid from available state and historic tax credit payments made by the tax credit investor to the Project. Payments are expected to occur in varying amounts over the term of the Bridge Loan.

The loans will be disbursed on a reimbursement basis as costs are incurred on the project. As of December 31, 2024, no funds were advanced on either loan.

***2975 Quebec Street***

The Authority records in its financial statements all material liabilities, including, where necessary, an estimate for situations that are not yet resolved but where, based on available information, management believes it is probable that the Authority will have to make payment in settlement of any claims. Last year, the Authority and the owner of a residence at 2975 Quebec Street worked to resolve concerns about prior work on the home undertaken by various contractors pursuant to various authority community development home loan programs. This claim was fully settled during 2024, and, as of December 31, 2024, the Authority does not have any further commitments.

**Note 12 - Tabor Amendment**

In November 1992, Colorado voters passed Article X, Section 20 (Tabor Amendment) to the State Constitution, which limits state and local government tax powers and imposes spending limitations. The Authority is not subject to the Tabor Amendment (see *Olson v. City of Golden*, 53 P.3d 747 (Co. App. 2002)).

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## Required Supplementary Information

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**Denver Urban Renewal Authority**

**Required Supplementary Information  
Budgetary Comparison Schedule - General Fund**

**Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenue</b>				
Investment income	\$ 100,000	\$ 100,000	\$ 41,630	\$ (58,370)
Other income	418,500	418,500	944,633	526,133
Total revenue	518,500	518,500	986,263	467,763
<b>Expenditures - Current services - Administration</b>	4,567,445	4,567,445	3,869,824	697,621
<b>Excess of Expenditures Over Revenue</b>	(4,048,945)	(4,048,945)	(2,883,561)	1,165,384
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,048,945	4,048,945	3,592,291	(456,654)
Transfers out	-	-	(371,728)	(371,728)
Total other financing sources	4,048,945	4,048,945	3,220,563	(828,382)
<b>Net Change in Fund Balance</b>	-	-	337,002	337,002
<b>Fund Balance - Beginning of year</b>	2,314,812	2,314,812	2,314,812	-
<b>Fund Balance - End of year</b>	<u><u>\$ 2,314,812</u></u>	<u><u>\$ 2,314,812</u></u>	<u><u>\$ 2,651,814</u></u>	<u><u>\$ 337,002</u></u>

**December 31, 2024**

***Budgets and Budgetary Accounting***

Annual budgets are adopted by the board of commissioners (the "Board") on a basis consistent with generally accepted accounting principles for the General Fund.

In October, the preliminary proposed budget is presented to the Board in accordance with state statute. In December of each year, the budget is adopted by the Board for the subsequent year.

The budget is submitted to the State of Colorado as required under Title 29 - Government - Local, General Provisions of the Local Government Budget Law of Colorado.

For the year ended December 31, 2024, other income was higher than budget due to higher than anticipated redevelopment fees. Transfers in were lower than anticipated due to anticipated priority fees that were delayed into a future period. Transfers out were higher than budget by approximately \$371,728 due to delay in capital expenditures on the new office space and vacancy savings in salaries and benefits.

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## Supplementary Information

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**Denver Urban Renewal Authority**  
**Annual 15c2-12 Disclosure**  
**Year Ended December 31, 2024**

	Stapleton 2013A-1		Stapleton 2010B-1	
Mill Levy				
General Fund, Denver	9.375		9.375	
Affordable Housing	0.391		0.391	
Public Welfare, Denver	2.433		2.433	
Denver Schools/General Fund	38.468		38.468	
Denver Schools/Bond Fund	9.843		9.843	
Denver Schools/Special Revenue MLO	4.000		4.000	
Bond Sinking Fund (Principal), Denver	4.457		4.457	
Bond Interest, Denver	2.043		2.043	
Fire Pension Fund	0.977		0.977	
Urban Drainage/Flood Control	1.000		1.000	
Police Pension Fund	1.166		1.166	
Capital Improvement			-	
Capital Maintenance	2.519		2.519	
Library	1.517		1.517	
	<b>78.189</b>		<b>78.189</b>	
Property Tax Base Amount (Assessed Value)	75,027,766		-	
Sales Tax Base Amount (Revenue)	856,917		-	
Property Tax Increment Revenue	81,241,980		-	
Sales Tax Increment Revenue	26,711,651		-	
Debt Service Reserve Earnings	226,264		-	
Other Interest Earnings	3,094,118		-	
Capitalized Interest	-		-	
Net Revenues	111,274,013		-	
<b>BONDS &amp; PRIORITY EXPENSE</b>				
Debt Service	16,163,000	(1)	8,073,250	(1)
DURA Priority Fee	683,630		-	
Other Expenses	10,375		-	
Annual Coverage Ratio	6.84	(2)	4.56	(3)

**Denver Urban Renewal Authority**  
**Annual 15c2-12 Disclosure**  
**Year Ended December 31, 2024**

**NOTES**

(1) The ***Stapleton Senior 2013 A-1 bonds*** were issued March 2013.

The 2013 A-1 Stapleton bonds are tax exempt and fixed rate.

The 2013 A-1 bonds defeased the 2008 A-1 and 2008 A-2 Stapleton bonds.

The 2013 A-1 bonds are Subordinate to the DURA priority fee and other expenses

The 2013 A-1 Stapleton bonds are Senior to the 2010 B-1 Stapleton bonds with respect to collected property and sales taxes available for debt service.

The ***Stapleton Senior Subordinate 2010 B-1 bonds*** were issued May 2010.

The 2010 B-1 Stapleton bonds are tax exempt and fixed rate.

The 2010 B-1 bonds defeased the remaining \$100 million of the 2004 B-1 Stapleton bonds.

The 2010 B-1 Stapleton bonds are Subordinate to the 2013 A-1 Stapleton bonds with respect to collected property and sales taxes available for debt service and DURA priority fee.

The 2010 B-1 bonds were remarketed on December 23, 2015 at lower fixed interest rates for the purpose of annual debt service savings.

(2) The coverage ratio presented is calculated after payment of priority and other expenses.

(3) The coverage ratio presented is calculated after payment of priority and other expenses and includes 2010B-1 and 2013 A-1 debt service payments.

See Note 9 to Financial Statements for principal amounts outstanding and final maturity dates.

**Denver Urban Renewal Authority**  
**Annual 15c2-12 Disclosure**  
**Year Ended December 31, 2024**

	9th and Colorado 2018A	(1)
<b>Fund Balances</b>		
Senior Bond Fund	79,924	
Senior Bond Reserve Fund	4,307,175	
Restricted Amounts Subaccount	-	
Supplemental Reserve Fund	2,687,382	
<b>Assessed Value</b>		
Current Assessed Value of Property in the URA	66,612,890	(2)
<b>Tax Increment Base and Revenue</b>		
Property Tax Base Amount (Assessed Value)	-	
Property Tax Increment Revenue	5,084,803	(3)
Sales Tax Base Amount (Revenue)	-	
Sales Tax Increment Revenue	973,216	(3)

(1) The **9th and Colorado Senior 2018A bonds** were issued October 18, 2018.  
The 9th and Colorado Senior 2018A bonds are tax exempt and fixed rate.

(2) This is the Final Certified Assessed Value as of December 5, 2024

(3) Includes all property and sales tax increment revenue collected by the Authority  
for the periods January 1, 2024 and December 31, 2024.

See Note 9 to Financial Statements for principal amounts outstanding and final maturity dates.