

**THE AURORA HIGHLANDS
COMMUNITY AUTHORITY BOARD
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
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YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Aurora Highlands Community Authority Board
Adams County, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of The Aurora Highlands Community Authority Board (the Authority) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of December 31, 2022, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Fiscal Focus Partners, LLC

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Economic Dependency

As disclosed in Note 10 of the financial statements, the Authority has not yet established a revenue base sufficient to pay the Authority's operational expenditures. Until an independent revenue base is established, the Authority may be dependent upon the developer of the Authority's service area for funding of continued operations.

Fiscal Focus Partners

Arvada, Colorado
July 28, 2023

BASIC FINANCIAL STATEMENTS

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Cash and Investments	\$ 230,172
Cash and Investments - Restricted	151,754,167
Accounts Receivable	167,434
Intergovernmental Receivable	35,191
Due from Aurora Highlands LLC	2,711,629
Due from The Aurora Highlands Metro District No. 6	18,150
Due from Aerotropolis Area Coordinating Metro District	7,500
Prepays	20,892
Capital Assets:	
Capital Assets, Not Being Depreciated	193,070,287
Total Assets	348,015,422
LIABILITIES	
Accounts Payable	499,478
Due to Aerotropolis Area Coordinating Metro District	10,709,850
Unearned Assessments	1,442
Noncurrent Liabilities:	
Due in More Than One Year	377,841,797
Total Liabilities	389,052,567
NET POSITION	
Restricted for:	
Emergencies (TABOR)	151,000
Unrestricted	(41,188,145)
Total Net Position	\$ (41,037,145)

See accompanying Notes to Basic Financial Statements.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 61,419,716	\$ 515,266	\$ 509,812	\$ 2,867,761	\$ (57,526,877)
Interest and Related Costs on Long-Term Debt	19,393,246	-	-	252,011	(19,141,235)
Total Governmental Activities	\$ 80,812,962	\$ 515,266	\$ 509,812	\$ 3,119,772	(76,668,112)
GENERAL REVENUES					
PILOT					4,000,000
Net Investment Income					410,178
Other Revenue					5,010
SPECIAL ITEMS					
Transfer of Capital Assets from AACMD					56,259,894
Total General Revenues and Special Items					60,675,082
CHANGE IN NET POSITION					(15,993,030)
Net Position - Beginning of Year					(25,044,115)
NET POSITION - END OF YEAR					\$ (41,037,145)

See accompanying Notes to Basic Financial Statements.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

ASSETS	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 230,172	\$ -	\$ -	\$ 230,172
Cash and Investments - Restricted	151,000	11,159	151,592,008	151,754,167
Accounts Receivable	22,234	-	-	22,234
Accounts Receivable - Design Review Fee	145,200	-	-	145,200
Due from Aurora Highlands LLC	-	-	2,711,629	2,711,629
Due from Aerotropolis Area Coordinating Metro District	-	7,500	-	7,500
Due from The Aurora Highlands Metro District No. 6	18,150	-	-	18,150
Due from Other Funds	111,711	-	-	111,711
Intergovernmental Receivable	35,191	-	-	35,191
Prepaid Expense	2,197	-	-	2,197
Prepaid Insurance	18,695	-	-	18,695
Total Assets	<u>\$ 734,550</u>	<u>\$ 18,659</u>	<u>\$ 154,303,637</u>	<u>\$ 155,056,846</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 260,810	\$ 10,500	\$ 228,168	\$ 499,478
Due to Aerotropolis Area Coordinating Metro District	-	-	9,806,549	9,806,549
Due to AACMD - ARTA Advanced Funding	-	-	903,301	903,301
Due to Other Funds	-	-	111,711	111,711
Unearned Assessments	1,442	-	-	1,442
Total Liabilities	<u>262,252</u>	<u>10,500</u>	<u>11,049,729</u>	<u>11,322,481</u>
FUND BALANCES				
Nonspendable:				
Prepaid Amounts	20,892	-	-	20,892
Restricted for:				
Emergencies (TABOR)	151,000	-	-	151,000
Debt Service	-	8,159	-	8,159
Capital Projects	-	-	143,253,908	143,253,908
Assigned:				
Designated for Next Year's Expenditures	277,164	-	-	277,164
Unassigned	23,242	-	-	23,242
Total Fund Balances	<u>472,298</u>	<u>8,159</u>	<u>143,253,908</u>	<u>143,734,365</u>
Total Liabilities and Fund Balances	<u>\$ 734,550</u>	<u>\$ 18,659</u>	<u>\$ 154,303,637</u>	

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

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

193,070,287

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

Bonds Payable

(360,464,000)

Accrued Interest - Bonds Payable

(17,377,797)

Net Position of Governmental Activities

\$ (41,037,145)

See accompanying Notes to Basic Financial Statements.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
(DEFICITS),
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Homeowner Maintenance Fees	\$ 160,811	\$ -	\$ -	\$ 160,811
Intergovernmental Revenue - AACMD	20,461	-	-	20,461
Intergovernmental Transfers	489,351	-	-	489,351
Plan and Design Review Fee	354,455	-	-	354,455
PILOT	4,000,000	-	-	4,000,000
System Development Fees	-	252,011	-	252,011
Net Investment Income	-	1,846	408,332	410,178
Other Revenue	5,010	-	-	5,010
Total Revenues	5,030,088	253,857	408,332	5,692,277
EXPENDITURES				
General and Administrative:				
Accounting	245,042	-	14,907	259,949
Audit	19,500	-	-	19,500
Billing and Fee Collection	33,289	-	-	33,289
Community Management	233,622	-	-	233,622
Community Relations	12,184	-	-	12,184
Covenant Enforcement	13,404	-	-	13,404
Design Review Fee	215,461	-	-	215,461
District Management	176,417	-	-	176,417
Dues and Licenses	2,928	-	-	2,928
Election	4,257	-	-	4,257
Insurance	54,918	-	-	54,918
Legal	339,477	-	330,110	669,587
Media Relations	43,035	-	-	43,035
Miscellaneous	2,246	-	-	2,246
Permit and Fees	1,390	-	-	1,390
Website Maintenance	1,825	-	-	1,825
Operations and Maintenance:				
Electricity	28,137	-	-	28,137
Irrigation/Water	162,094	-	-	162,094
Landscape Maintenance	1,255,687	-	-	1,255,687
Trash and Recycling	25,731	-	-	25,731
Intergovernmental Expense - AACMD	14,130	-	-	14,130
Reimbursement to Richmond	16,800	-	-	16,800
Debt Service:				
Bond Issue Costs	-	2,625	1,424,545	1,427,170
Bond Interest - Series 2021A Bonds	-	277,573	-	277,573
Paying Agent Fee	-	10,500	-	10,500
Capital:				
Capital Outlay	-	-	24,184,661	24,184,661
Intergovernmental Expense - AACMD Developer	-	-	2,867,761	2,867,761
Intergovernmental Expense - AACMD	-	-	55,305,364	55,305,364
Total Expenditures	2,901,574	290,698	84,127,348	87,319,620
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,128,514	(36,841)	(83,719,016)	(81,627,343)
OTHER FINANCING SOURCES (USES)				
2022 Bond Proceeds	-	-	63,000,000	63,000,000
Developer Advances	1,345,665	-	24,184,661	25,530,326
Developer Reimbursements	-	-	2,867,761	2,867,761
Repay Developer Advance Principal	(2,709,335)	-	(24,184,661)	(26,893,996)
Repay Developer Advance Interest	(259,954)	-	(651,345)	(911,299)
Transfer from Other Funds	-	-	755	755
Transfer to Other Funds	-	(755)	-	(755)
Total Other Financing Sources (Uses)	(1,623,624)	(755)	65,217,171	63,592,792
NET CHANGE IN FUND BALANCES	504,890	(37,596)	(18,501,845)	(18,034,551)
Fund Balances (Deficits) - Beginning of Year	(32,592)	45,755	161,755,753	161,768,916
FUND BALANCES - END OF YEAR	\$ 472,298	\$ 8,159	\$ 143,253,908	\$ 143,734,365

See accompanying Notes to Basic Financial Statements.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS) OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ (18,034,551)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital related activity in the current period.

Capital Outlay	24,184,661
Transfer of Capital Assets from AACMD	56,259,894

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

Current Year Bond Issuance	(63,000,000)
Current Year Developer Advances	(25,530,326)
Repayment of Developer Advances	26,893,996
Repayment of Developer Advances - Accrued Interest	911,299

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

Accrued Interest on Bonds Payable - Change in Liability	(16,950,192)
Accrued Interest on Developer Advances Payable - Change in Liability	<u>(727,811)</u>

Change in Net Position of Governmental Activities \$ (15,993,030)

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Homeowner Maintenance Fees	\$ 402,000	\$ 150,000	\$ 160,811	\$ 10,811
Intergovernmental Revenue - AACMD	-	-	20,461	20,461
Intergovernmental Transfers	623,460	485,694	489,351	3,657
Other Revenue	-	5,009	5,010	1
Park/Open Space Fees	23,149	-	-	-
Plan and Design Review Fee	-	220,000	354,455	134,455
PILOT	-	4,000,000	4,000,000	-
Special Assessments	3,930	-	-	-
Total Revenues	<u>1,052,539</u>	<u>4,860,703</u>	<u>5,030,088</u>	<u>169,385</u>
EXPENDITURES				
General and Administrative:				
Accounting	185,000	230,000	245,042	(15,042)
Audit	18,000	12,500	19,500	(7,000)
Billing and Fee Collection	22,000	17,500	33,289	(15,789)
Community Management	33,800	185,000	233,622	(48,622)
Community Relations	12,000	12,000	12,184	(184)
Covenant Enforcement	30,800	18,000	13,404	4,596
Design Review Fee	-	215,461	215,461	-
District Management	145,000	180,000	176,417	3,583
Dues and Licenses	4,300	2,928	2,928	-
Election	15,000	4,200	4,257	(57)
Insurance	71,300	51,625	54,918	(3,293)
Legal	186,000	360,000	339,477	20,523
Media Relations	-	41,000	43,035	(2,035)
Miscellaneous	1,200	3,709	2,246	1,463
Permit and Fees	-	-	1,390	(1,390)
Website Maintenance	7,000	7,000	1,825	5,175
Operations and Maintenance:				
Detention Pond Maintenance	10,000	10,000	-	10,000
Electricity	10,000	26,500	28,137	(1,637)
Irrigation/Water	81,218	165,800	162,094	3,706
Landscape Maintenance	411,435	1,309,000	1,255,687	53,313
Mailbox Maintenance	1,500	1,400	-	1,400
Parks and Trails	13,000	-	-	-
Parks and Open Space	132,750	-	-	-
Snow Removal	133,589	-	-	-
Trash and Recycling	5,025	24,000	25,731	(1,731)
Winter Watering	10,000	-	-	-
Intergovernmental Expense - AACMD	-	14,130	14,130	-
Reimbursement to Richmond	-	19,200	16,800	2,400
Contingency	100,083	100,000	-	100,000
Total Expenditures	<u>1,640,000</u>	<u>3,010,953</u>	<u>2,901,574</u>	<u>109,379</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(587,461)	1,849,750	2,128,514	278,764
OTHER FINANCING SOURCES (USES)				
Developer Advance	550,000	1,552,093	1,345,665	(206,428)
Repay Developer Advance - Interest	-	(280,321)	(259,954)	20,367
Repay Developer Advance - Principal	-	(2,855,726)	(2,709,335)	146,391
Transfer from Other Funds	85,000	-	-	-
Total Other Financing Sources (Uses)	<u>635,000</u>	<u>(1,583,954)</u>	<u>(1,623,624)</u>	<u>(39,670)</u>
NET CHANGE IN FUND BALANCE	47,539	265,796	504,890	239,094
Fund Balance (Deficit) - Beginning of Year	2,493	(32,592)	(32,592)	-
FUND BALANCE - END OF YEAR	\$ 50,032	\$ 233,204	\$ 472,298	\$ 239,094

See accompanying Notes to Basic Financial Statements.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

The Aurora Highlands Community Authority Board (CAB), a political subdivision and public corporation of the state of Colorado, was established on November 21, 2019, and is governed pursuant to the power of Article XIV of the Colorado Constitution and in conformity with the provisions of Sections 29-1-203 and 203.5, C.R.S. The CAB operates pursuant to the Aurora Highlands Community Authority Board Establishment Agreement first effective November 19, 2019 and subsequently, amended and restated on April 16, 2020, April 27, 2022, and December 15, 2022 (CABEA), by and between Aerotropolis Area Coordinating Metropolitan District (AACMD), The Aurora Highlands Metropolitan Districts Nos. 1-3 (TAH Nos. 1-3), ATEC Metropolitan Districts Nos. 1 and 2 (ATEC Nos. 1 and 2), The Aurora Highlands Metropolitan District Nos 4-6 (TAH Nos. 4-6, and collectively with AACMD, TAH Nos. 1-3, and ATEC Nos. 1 and 2, the CAB Districts). The CAB's service area is within the boundaries of The Aurora Highlands master planned development, which is located in Adams County, Colorado, within the City of Aurora (City) and consists of the combined service areas of the CAB Districts. As set forth in the CABEA, the primary purpose of the CAB is to coordinate the development of public improvements for the benefit of the CAB Districts, the residents, and property owners, and to own, operate, and maintain all public improvements within the service area.

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

The members of the Board of Directors for the CAB are appointed by the CAB Districts. The CAB is financially accountable for the CAB Districts and shall provide administrative services to the CAB Districts listed in the CABEA, but the CAB is not considered a component unit of any other primary governmental entity, including the CAB Districts, nor are any of the CAB Districts considered a component unit of the CAB.

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

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by charges for services, operating contributions, and inter-governmental revenues.

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The CAB reports the following major governmental funds:

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

The Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on bonds issued by the CAB.

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

Budgets

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

The CAB amended its budget for the year ended December 31, 2022.

Pooled Cash and Investments

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

Capital Assets

Capital assets, which include property and infrastructure improvements, are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Any construction in process that will be dedicated to another entity is not depreciated.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and Investments	\$ 230,172
Cash and Investments - Restricted	151,754,167
Total Cash and Investments	<u>\$ 151,984,339</u>

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

Deposits with Financial Institutions	\$ 392,331
Investments	151,592,008
Total Cash and Investments	<u>\$ 151,984,339</u>

Deposits with Financial Institutions

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

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

On December 31, 2022, the CAB's cash deposits had a bank balance of \$496,255 and a carrying balance of \$392,331.

Investments

The CAB has not adopted a formal investment policy; however, the CAB follows state statutes regarding investments.

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

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

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

Fair Value Measurement and Application

The CAB 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 not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE (which are recorded at amortized cost), and COLOTRUST (which are recorded at net asset value).

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
JP Morgan 100% U.S. Treasury Securities	Weighted-Average Under 60 Days	\$ 10,872,819
U.S. Treasury Bills	Weighted-Average Under 60 Days	51,808,688
U.S. Treasury Notes and Bonds	Average 0.50 Years	88,910,501
Total		<u>\$ 151,592,008</u>

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

JP Morgan 100% U.S. Treasury Securities Portfolio

The capital project monies that are included in the trust account at Zions Bancorporation, National Association, are invested in the JP Morgan 100% U.S. Treasury Securities Portfolio. This portfolio is a money market fund that is managed by J.P. Morgan Asset Management, and each share is maintained at a net asset value (NAV) of \$1.00 per share. The fund is AAAM rated by S&P Rating and invests solely in debt securities of the U.S. Treasury, including Treasury bills, bonds, and notes. The dollar-weighted average maturity of the underlying securities is 60 days or less. The fund records its investments based on amortized costs.

U.S. Treasury Bills, Notes, and Bonds

Debt service monies held in trust by Zions Bank in the 2021A Project Fund and 2022B Project Fund were invested in U.S. Treasury Bills with the weighted-average maturities of 60 days or less, and U.S. Treasury Notes and Bonds with average maturity of 0.5 years. The District has engaged the services of a registered Investment Advisor (providing financial advisory and asset management services) to receive financial advice and to assist in the management of these funds, including the buying and selling of securities held in such portfolio.

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2021	Additions	Retirement	Balance - December 31, 2022
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 112,625,732	\$ 80,444,555	\$ -	\$ 193,070,287
Total Capital Assets, Not Being Depreciated	112,625,732	80,444,555	-	193,070,287
Governmental Activities - Capital Assets, Net	\$ 112,625,732	\$ 80,444,555	\$ -	\$ 193,070,287

AACMD acts as Project Manager to the CAB per a Project Management Intergovernmental Agreement (described in Note 6). All construction in progress benefitting the CAB Districts shall be transferred to the CAB. The CAB shall own, operate, and maintain all public improvements unless and until such public improvements are dedicated to the City or other appropriate governmental entity for perpetual ownership and maintenance.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2021	Additions	Retirements	Balance - December 31, 2022	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Special Tax Revenue Refunding and Improvement Bonds:					
Series 2021A	\$ 297,464,000	\$ -	\$ -	\$ 297,464,000	\$ -
Accrued Interest on:					
Series 2021A	427,605	17,227,765	277,573	17,377,797	-
Subtotal of Bonds Payable	<u>297,891,605</u>	<u>17,227,765</u>	<u>277,573</u>	<u>314,841,797</u>	<u>-</u>
Bonds from Direct Borrowings:					
Special Tax Revenue:					
Draw-Down Bonds:					
Series 2022B	-	63,000,000	-	63,000,000	-
Subtotal of Bonds from Direct Borrowings	<u>-</u>	<u>63,000,000</u>	<u>-</u>	<u>63,000,000</u>	<u>-</u>
Other Debts:					
Developer Advances:					
Operations	1,363,670	1,345,665	2,709,335	-	-
Capital	-	24,184,661	24,184,661	-	-
Accrued Interest on:					
Developer Advances - Operations	183,488	76,466	259,954	-	-
Developer Advances - Capital	-	651,345	651,345	-	-
Subtotal - Other Debts	<u>1,547,158</u>	<u>26,258,137</u>	<u>27,805,295</u>	<u>-</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 299,438,763</u>	<u>\$ 106,485,902</u>	<u>\$ 28,082,868</u>	<u>\$ 377,841,797</u>	<u>\$ -</u>

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Special Tax Revenue Refunding and Improvement Bonds, Series 2021A (2021A Bonds) and **2021B Special Tax Revenue Draw Down Bonds, Series 2021B**, (2021B Bonds and together with the 2021A Bonds, 2021 Bonds).

2021 Bond Details

On December 22, 2021, the CAB issued the 2021A Bonds in the aggregate principal amount of \$297,464,000 and 2021B Bonds in the maximum aggregate principal amount of up to \$70,000,000.

2021A Bonds

The 2021A Bonds bear interest at the rate of 5.75% per annum and are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date of December 1, 2051. Proceeds from the sale of the 2021A Bonds were used to (a) refund the CAB’s 2020A Bonds and Series 2020B Bonds; (b) pay or reimburse Project Costs; and (c) pay certain costs incurred in connection with the issuance of the 2021A Bonds and the 2021B Bonds.

Principal on the 2021A Bonds is payable on each December 1 from and to the extent of Pledged Revenue, if any, pursuant to a mandatory redemption. Interest not paid when due shall compound each December 1. To the extent any principal is not paid when due, such principal is to remain outstanding and is to continue to bear interest until the earlier of its payment or December 2 of the fiftieth year after the year in which the Last Residential District (as defined in the 2021A Trust Indenture) first imposed its debt service mill levy, regardless of the amount of principal and interest paid prior to such Termination Date, at which time all outstanding 2021A Bonds and the interest thereon shall be deemed to be paid, satisfied and discharged.

The 2021A Bonds are subject to redemption prior to maturity, at the option of the CAB, on December 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2028, to November 30, 2029	3.00%
December 1, 2029, to November 30, 2030	2.00
December 1, 2030, to November 30, 2031	1.00
December 1, 2031, and thereafter	0.00

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2021A Bonds (Continued)

The 2021A Bonds are payable solely from and to the extent of the Pledged Revenue, consisting generally of the moneys derived from the following sources, net of any costs of collection:

- (a) the Debt Service Property Tax Revenues of the TAH 1-3, AACMD, and ATEC 2 (Taxing Districts) derived from imposition by each of the Taxing Districts of its Required Debt Service Mill Levy;
- (b) the Debt Service Specific Ownership Tax Revenues of each of the Taxing Districts;
- (c) the Debt Service PILOT Revenues of each of the Taxing Districts;
- (d) the Single-Family Residential Facilities Fees; and
- (e) collected within the CAB service area any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Each of the Taxing Districts is required, pursuant to individual Revenue Pledge Agreement (Note 6) with the CAB, to impose an ad valorem mill levy upon all taxable property within the Taxing District's boundaries beginning in the tax levy year 2024 (for collection in 2025), with respect to TAH 1 or ATEC 2, or in the first tax levy year in which the assessed valuation is equal to or greater than \$10,000,000, with respect to TAH 3 and AACMD.

The Required Debt Service Mill Levy shall be imposed (a) for TAH 1-3, in the amount of 50 mills; (b) for ATEC 2, in the amount of 29 mills; and (c) for AACMD in the amount of 29 or 50 mills, as determined by whether the property within AACMD's boundaries is developed for residential, nonresidential, or high-density residential uses, all as subject to adjustment for changes in the ratio of actual valuation to assessed valuation on or after January 1, 2004.

2021B Bonds

Concurrently with the issuance of the 2021A Bonds, the CAB also issued its 2021B Bonds. The purposes of the 2021B Bonds are to (i) pay or reimburse Project Costs, (ii) pay Draw Fees, and (iii) pay Working Capital Costs (Bond Purposes).

The 2021B Bonds constitute draw down obligations of the CAB, and the principal amount thereof at issuance was zero. Draws on the 2021B Bonds shall bear interest at a variable rate reset annually on each anniversary of the initial draw date. The interest rate is the Municipal Market Data (MMD) BBB, 30-year index on the Annual Interest Reset Date plus 5.0%, with a maximum interest rate of 9.0% per annum. The 2021B Bonds are payable to the extent of Subordinate Pledged Revenue available on December 15 of each year, commencing on December 15 of the first year in which no Series 2021A Senior Bond is outstanding, and mature on December 15, 2061.

To the extent principal of any 2021B Bond is not paid on or prior to the maturity date of such Bond, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the 2021B Bond, and to the extent interest on any 2021B Bond is not paid when due, such interest shall compound annually on each December 15, at the rate then borne by the 2021B Bond.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2021B Bonds (Continued)

Subordinate Pledged Revenue means all Senior Pledged Revenue available and remaining on and after the first date on which no Series 2021A Senior Bonds are outstanding. No Pledged Revenue may be applied to the payment of the 2021B Bonds until the earlier of the date all amounts due and payable on the 2021A Senior Bonds have been paid or the Termination Date.

Events of Default

Events of default under the 2021 Bonds occur if the CAB does not apply Pledged Revenue in accordance with the Indentures of Trust, and other customary terms and conditions consistent with normal municipal financings as described in the Indentures of Trust. The annual debt service requirements of the 2021A and 2021B Bonds are not currently determinable since they are payable only from available Pledged Revenue.

2022B Bonds

Subordinate Special Tax Revenue Bonds, Series 2022B (the 2022B Bonds). The CAB issued the 2022B Bonds on December 21, 2022, in the amount of \$63,000,000.

Proceeds of the Bonds

A portion of the proceeds from the sale of the 2022B Bonds were deposited to the Subordinate Project Fund to be used to finance or reimburse a portion of the costs of acquiring, constructing, and installing public improvements. The remaining portion of the proceeds were used to pay the costs of issuing the 2022B Bonds.

Details of the Bonds

The 2022B Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal or interest prior to the Maturity Date. Instead, principal is payable on each December 15, beginning on December 15, 2023, from and to the extent of available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. The 2022B Bonds mature on December 15, 2060.

The 2022B Bonds bear interest at 10.50% per annum, payable annually to the extent of Subordinate Pledged Revenue available on each December 15, commencing on December 15, 2023. To the extent interest on any 2022B Bond is not paid when due, such unpaid interest shall compound annually on each December 15, at the interest rate then borne by the 2022B Bond.

After application on December 15, 2072, of all available Subordinate Pledged Revenue to the payment of the 2022B Bonds, the 2022B Bonds and the lien of the Subordinate Indenture securing payment thereof shall be deemed fully satisfied on the Termination Date of December 16, 2072, and on such date the 2022B Bonds shall be discharged, and the Subordinate Indenture shall terminate.

The 2022B Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the Subordinate Indenture. The 2022B Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the 2022B Bonds.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2022B Bonds (Continued)

Optional Redemption

The 2022B Bonds are subject to redemption prior to maturity, at the option of the CAB, on December 1, 2027, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2027, to November 30, 2028	3.00%
December 1, 2028, to November 30, 2029	2.00
December 1, 2029, to November 30, 2030	1.00
December 1, 2030, and thereafter	0.00

Subordinate Pledged Revenue

The 2022B Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, which means the moneys derived from the following sources, net of any costs of collection: (a) the Subordinate ATEC No. 1 Debt Service Revenues; and (b) any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

Subordinate ATEC Metropolitan District No. 1 (ATEC No. 1) Debt Service Revenues represent the ATEC No. 1 Debt Service Revenues remaining after payment, in each Senior Bond Year, of the amounts due and owing in such Senior Bond Year on all Senior Bonds then outstanding.

ATEC No. 1 Debt Service Revenues means, collectively, the following, net of any costs of collection: (a) the ATEC No. 1 Debt Service Property Tax Revenues; (b) the ATEC No. 1 Debt Service Specific Ownership Tax Revenues as a result of the imposition of the ATEC No. 1 Required Debt Service Mill Levy; and (c) the ATEC No. 1 Debt Service PILOT Revenues, if any.

ATEC No. 1 Debt Service Property Tax Revenues are all moneys derived from imposition of the ATEC No. 1 Required Debt Service Mill Levy, net of fees of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County.

ATEC No. 1 Required Debt Service Mill Levy

ATEC No. 1 Required Debt Service Mill Levy is an ad valorem mill levy imposed upon all taxable property of ATEC No. 1 each year, commencing in 2024 (for collection in 2025), in the amount of 29 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2004). Such mill levy shall be increased or decreased to reflect such changes so that to the extent possible, the actual tax revenues generated by such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2022B Bonds (Continued)

Events of Default

Events of default occur if the CAB fails to remit the Subordinate Pledged Revenue to the Trustee as required by the Subordinate Indenture, fails to pay principal and interest on the 2022B Bonds when due, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Subordinate Indenture.

2022B Bonds Debt Service

The annual debt service requirements of the 2022B Bonds are not currently determinable since they are payable only to the extent of Pledged Revenue available.

Authorized Debt

The CAB's authority to issue debt is limited by and to the extent of the authority of the CAB Districts' Service Plan's debt authorization limits. Although the eligible electors voting in the CAB Districts' elections have voted to authorize debt in excess of their respective Service Plan limitations, neither the CAB Districts nor the CAB may issue debt in excess of the amounts authorized in the Service Plans.

	AACMD Authorized November 7, 2017 Election	TAHMD No.1 Authorized November 8, 2016 Election	TAHMD No.2 Authorized November 8, 2016 Election	TAHMD No.3 Authorized November 8, 2016 Election	TAHMD No.4 Authorized November 8, 2022 Election	TAHMD No.5 Authorized November 8, 2022 Election	TAHMD No.6 Authorized May 2, 2023 Election
Streets	\$ 8,000,000,000	\$ 4,000,000,000	\$ 4,000,000,000	\$ 4,000,000,000	\$ 4,000,000,000	\$ 4,000,000,000	4,000,000,000
Water Supply System	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Storm and Sanitary Sewer	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Parks and Recreation	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Mosquito Control	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Fire Protection	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Television Relay/Translation	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Public Transportation	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Traffic and Safety Controls	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Debt Refunding	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Operations and Maintenance	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Intergovernmental Agreements	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Security	8,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Total	<u>\$ 104,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>
Maximum Debt Issuance Authorized	<u>\$ 8,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

	ATEC No.1 Authorized November 5, 2019 Election	ATEC No.2 Authorized November 5, 2019 Election	Total Authorized	Used for 2020 Bonds	Used for 2021 Bonds	Used for 2022 Bonds	Remaining at December 31, 2022
Streets	\$ 4,000,000,000	\$ 4,000,000,000	\$ 40,000,000,000	\$ 65,177,160	\$ 172,914,424	\$ 58,625,466	\$ 39,703,282,950
Water Supply System	4,000,000,000	4,000,000,000	40,000,000,000	654,230	1,735,666	588,466	39,997,021,638
Storm and Sanitary Sewer	4,000,000,000	4,000,000,000	40,000,000,000	3,575,580	9,485,982	3,216,158	39,983,722,280
Parks and Recreation	4,000,000,000	4,000,000,000	40,000,000,000	633,600	1,680,935	569,910	39,997,115,555
Mosquito Control	4,000,000,000	4,000,000,000	40,000,000,000	-	-	-	40,000,000,000
Fire Protection	4,000,000,000	4,000,000,000	40,000,000,000	-	-	-	40,000,000,000
Television Relay/Translation	4,000,000,000	4,000,000,000	40,000,000,000	-	-	-	40,000,000,000
Public Transportation	4,000,000,000	4,000,000,000	40,000,000,000	-	-	-	40,000,000,000
Traffic and Safety Controls	4,000,000,000	4,000,000,000	40,000,000,000	-	-	-	40,000,000,000
Debt Refunding	4,000,000,000	4,000,000,000	40,000,000,000	-	111,646,993	-	39,888,353,007
Operations and Maintenance	4,000,000,000	4,000,000,000	40,000,000,000	-	-	-	40,000,000,000
Intergovernmental Agreements	4,000,000,000	4,000,000,000	40,000,000,000	-	-	-	40,000,000,000
Security	4,000,000,000	4,000,000,000	40,000,000,000	-	-	-	40,000,000,000
Total	<u>\$ 52,000,000,000</u>	<u>\$ 52,000,000,000</u>	<u>\$ 520,000,000,000</u>	<u>\$ 70,040,570</u>	<u>\$ 297,464,000</u>	<u>\$ 63,000,000</u>	<u>\$ 519,569,495,430</u>
Maximum Debt Issuance Authorized	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 4,000,000,000</u>	<u>\$ 70,040,570</u>	<u>\$ 297,464,000</u>	<u>\$ 63,000,000</u>	<u>\$ 3,569,495,430</u>

NOTE 6 AGREEMENTS

Mill Levy Policy Agreement

On June 30, 2020, the CAB and the CAB Districts entered into the Mill Levy Policy Agreement, which was amended and restated on December 22, 2021, to set forth the agreement of certain CAB Districts that the respective obligations of each CAB District under the CABEA and the applicable pledge agreements are fair and equitable in light of the benefits received by the CAB Districts (Amended and Restated Mill Levy Policy Agreement). Each CAB District, that is a party to the Amended and Restated Mill Levy Policy Agreement, agrees to cooperate and coordinate with each other to ensure that the mill levies determined by the CAB each year are imposed and transferred to the CAB in accordance with the applicable pledge agreements. The Amended and Restated Mill Levy Policy Agreement shall continue to be in effect until: (a) each CAB District agrees in writing to terminate the agreement; (b) no debt is outstanding; (c) all public improvements owned by the CAB or the CAB Districts have been conveyed to another governmental entity; and (d) all operations and maintenance obligations with respect to such public improvements and all other services performed by the CAB and the CAB Districts have been assumed by another governmental entity.

Revenue Pledge Agreements

On December 22, 2021, the CAB and each of the CAB Districts entered into separate Revenue Pledge Agreements (Pledge Agreements). Per the Pledge Agreements, each CAB District is required to impose a debt service mill levy and remit the revenue received to the CAB. The CAB has pledged revenues derived therefrom to the payment of the 2021 Bonds (Note 5). The Required Debt Service Mill Levy required to first be imposed by TAH No. 1 in levy year 2024 (for collection in 2025), by TAH Nos. 2-3, AACMD and ATEC No. 2 in the

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 AGREEMENTS (CONTINUED)

Revenue Pledge Agreements (Continued)

year during which the actual assessed valuation of the taxable property within the relevant CAB District is equal to or more than \$10,000,000.

The Pledge Agreements shall remain in effect until the date on which all amounts due with respect to the 2021 Bonds, the 2022B Bonds and other CAB bonds issued in the future have been defeased or paid in full, provided however, that if the payment obligation payable is not paid in full or defeased on such termination date, then the Districts shall continue to be obligated to levy the Required Debt Service Mill Levy and apply their Pledged Revenue to the repayment of such unpaid payment obligations; provided further, however, that in no event may TAH Nos.1-3 and AACMD levy their Required Debt Service Mill Levy for longer than fifty (50) years after the year of the initial imposition of the Required Debt Service Mill Levy by the Districts in accordance with their Service Plans unless the Service Plans are amended to eliminate or extend such imposition term.

The Pledge Agreements additionally require the CAB Districts to impose the Required Operations Mill Levy. TAH Nos. 1-2 and AACMD are required to impose 70 mills less the number of mills equal to the Required Debt Service Mill Levy; and TAH No. 3 and ATEC Nos. 1-2 are required to impose the Required Operations Mill Levy not exceeding 70 and 35 mills correspondingly. Such number of mills is subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement on or after January 1, 2004), net of the costs of collections and any tax refunds or abatements authorized by or on behalf of the County. The Required Operations Mill Levy will be provided to the CAB for the purpose of funding the CAB's operating costs.

As of December 31, 2022, the CAB had Pledged Revenue available in the amount of \$288,072, which were collected by AACMD. Out of the total available, the CAB paid \$277,573 for the 2021A Bonds Interest.

Capital Construction and Reimbursement Agreement (In-Tract Improvements)

On December 22, 2021, the CAB entered into the Amended and Restated Capital Construction and Reimbursement Agreement (Agreement) with AH LLC to amend and restate the Capital Construction and Reimbursement Agreement dated June 24, 2020. Pursuant to the Amended Agreement, AH LLC will, on occasion, advance funds to the CAB for the payment of Construction related expenses (as defined in the Agreement). The Agreement also authorizes the CAB and AH LLC to enter into Waiver and Release of Reimbursement Rights Agreement(s) with builders providing that the builders of certain public improvements (In-Tract Improvements) within the CAB's service area waive any right to reimbursement for the Construction Related Expenses thereof in favor of reimbursement for all such costs to AH LLC. After acceptance of the In-Tract Improvements by the CAB, the verified costs thereof will be exchanged for equivalent value of 2021 Bonds and in accordance with the 2021 Bonds Indentures. The costs of the improvements are to be certified by an independent engineer as being reasonable and comparable for similar projects constructed in the local community. 2021 Bonds shall be issued to the Developer for equivalent value of verified costs and developer advances. As of December 31, 2021, the CAB has entered into Waiver and Release of Reimbursement Rights Agreements with Taylor Morrison of Colorado, Inc., Tri-Pointe Homes Holdings, Inc., Pulte Home Company, LLC, and Richmond American Homes of Colorado, Inc.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 AGREEMENTS (CONTINUED)

**Capital Construction and Reimbursement Agreement (In-Tract Improvements)
(Continued)**

Amounts advanced to the CAB by AH LLC for the Verified Costs of Construction Related Expenses are to accrue interest at the rate of 8% per annum from the date of payment by AH LLC for In-Tract Improvements. Per the CABEA, in 2022, the CAB repaid prior capital costs certified by an independent engineer in the amount of \$24,038,269 and related interest in the amount of \$640,189. Of these repayments, \$24,230.442 was paid from 2021A Bond proceeds and the remainder was used to reduce amounts due from the Developer.

Inclusion Agreements

Effective June 29, 2020, AACMD entered into Inclusion Agreements with landowners (Owners) within its service area (Inclusion Agreements). Under the Inclusion Agreements, AACMD agreed to cause the inclusion of real property into one of the CAB Districts upon a triggering event. The Inclusion Agreements were amended and restated on December 22, 2021 and again on May 19, 2022 (Second Amended and Restated Inclusion Agreements). Under the Second Amended and Restated Inclusion Agreements, the Owners and AACMD agree to execute and process petitions for inclusion of real property into one of the CAB Districts upon the earlier to occur of (a) the transfer of title to real property to a third party, or (b) the issuance of a building permit for the real property. Upon inclusion of real property into any of the CAB Districts, such real property will be subject to the required mill levies imposed by the applicable CAB District.

Project Management Intergovernmental Agreement

On April 10, 2020, the CAB and AACMD entered into a Project Management Intergovernmental Agreement (CAB Project Management IGA) to set forth the parties' understanding regarding the terms under which AACMD will coordinate the design, testing, engineering, and construction of the Public Improvements (as defined in the CAB Project Management IGA) on behalf of the CAB Districts and the CAB.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 AGREEMENTS (CONTINUED)

Operation and Maintenance Fee Resolution

Pursuant to Resolution No. 2020-10-01, the CAB adopted an Operation and Maintenance Fee (the O&M Fee) to support the continuing operations and maintenance needs of certain facilities and improvements and to provide certain services for the benefit of and throughout the combined service areas of AACMD and TAH Nos. 1-3. The O&M Fee is imposed on each residential lot within TAH Nos. 1-3 in the amount of \$100/month and is subject to automatic annual adjustment based on the Consumer Price Index for the Denver-Aurora-Lakewood (CPI-U).

Facilities Fee Resolution

Pursuant to Resolution No. 2022-08-01, which amended and restated Resolution No. 2020-04-01, the CAB has adopted Facilities Fees on Residential and Commercial Property (the Facilities Fees) to support the financing and development of Public Improvements throughout the combined service areas of AACMD, TAH Nos. 1-6, and ATEC Nos. 1-2. The Facilities Fees are imposed on Commercial (\$1.00/ sq. ft.), Single-Family (\$2,500/unit), and Multi-Family (\$1,500/unit) development, with limited exceptions, and are due and payable within ten days of the issuance of a building permit for any qualifying usage.

Intergovernmental Agreement Regarding Sharing of Tax Revenue and Services

Effective January 1, 2021, the CAB and TAH No. 6 entered into an Intergovernmental Agreement Regarding Sharing of Tax Revenue and Services (TAH No. 6 IGA) pursuant to which the CAB agreed to provide for the planning, design, and construction of public improvements on behalf of TAH No. 6, and TAH No. 6 agreed to remit or transfer all ad valorem property taxes to the CAB within 30 days of the receipt thereof to cover all such costs. Subsequently, in 2022, TAH No. 6 adopted the CABEA, which addresses the same subject matter reflected in the TAH No. 6 IGA.

Intergovernmental Agreement Regarding Regional Transportation System Project Funding and Construction

Effective November 24, 2021, the CAB and Aerotropolis Regional Transportation Authority (ARTA) entered into an Intergovernmental Agreement Regarding Regional Transportation System Project Funding and Construction (RTS IGA). The RTS IGA allows the CAB, at its discretion and at different times during the term of the RTS IGA, to undertake or cause to be undertaken, as necessary, the planning, design, funding and/or completion of certain ARTA regional transportation system projects and accelerate the completion of such projects ahead of ARTA's intended milestones and capital construction schedule. In the event the CAB accelerates any regional transportation system projects under the RTS IGA, ARTA agrees to promptly reimburse the CAB for the actual costs incurred, subject to the availability of adequate funds and appropriations.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 AGREEMENTS (CONTINUED)

PILOT Exception Agreement and PorterCare Operation Funding And Contribution Agreement

In December 2021, the CAB, PorterCare Adventist Health System (PorterCare), and ATEC No. 2, and other private entities including the Bondholder of certain of the CAB's bonds and Property Owners within the CAB's service area entered into a PILOT Exception Agreement to exempt approximately 40 acres of property (Exempt Property) later purchased by PorterCare from the Declaration Payment in Lieu of Taxes (PILOT) recorded for the benefit of the CAB in the real property records of Adams County at Reception No. 202000059148. In lieu of the PILOT, the CAB and PorterCare also entered into the PorterCare Operation Funding and Contribution Agreement, pursuant to which PorterCare agreed to contribute a \$4,000,000 Initial Contribution, a \$1,600,000 Additional Contribution in the event PorterCare fails to reach certain development thresholds, and annual payments to the CAB so long as the Exempt Property is owed by PorterCare or any other Tax-Exempt Entity. As of December 31, 2022, PorterCare had made the Initial Contribution to the CAB.

Intergovernmental Agreement for the Funding and Reimbursement of Drainage Improvements

On October 12, 2022, the CAB and Windler Public Improvement Authority (Windler) entered into an IGA for the Funding and Reimbursement of Drainage Improvements (Windler IGA). The Windler IGA provides that the CAB will accelerate the design and construction of certain Drainage Improvements benefiting Windler, and in exchange Windler will pay the CAB a \$500,000 Project Acceleration Incentive. As of December 31, 2022, the Project Acceleration Incentive remains in escrow pending completion of the Drainage Improvements by the CAB.

Intergovernmental Agreement Regarding Coordination of Facilities Funding for ATEC Metropolitan District No. 1 Projects

On June 23, 2020, the CAB, ATEC No. 1 and AH LLC entered into an Intergovernmental Agreement Regarding Coordination of Facilities Funding for ATEC Metropolitan District No. 1 Projects (ATEC Coordination IGA). The ATEC Coordination IGA sets forth the rights, obligations, and procedures with respect to the issuance of Additional Bonds to be issued by the CAB, construction of the Improvements (as defined in the ATEC Coordination IGA), and reimbursement of AH LLC. On December 22, 2021, ATEC No. 1, the CAB, and Aurora Tech Center Development, LLC entered into a termination of the ATEC Coordination IGA in connection with an issuance of 2021A Bonds.

Agreement Regarding Coordination of Facilities Funding for ATEC Development Area

On December 22, 2021, the CAB and Aurora Tech Center Development, LLC (ATCD LLC) entered into an Agreement Regarding Coordination of Facilities Funding for ATEC Development Area (ATEC Coordination Agreement). The ATEC Coordination Agreement sets forth rights, obligations, and procedures with respect to the issuance of the CAB obligations, construction of the ATEC Improvements (as defined in the ATEC Coordination Agreement), and reimbursement of ATCD LLC.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 NET POSITION

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

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

Emergency Reserves	\$ 151,000
Total	\$ 151,000

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. As of December 31, 2022, the CAB had deficit unrestricted net position in the amount of \$41,188,145.

NOTE 8 INTERFUND TRANSFERS/DUE TO OTHER DISTRICTS

Transfers from the Debt Service to the Capital Project Fund are proceeds from the 2021A and the 2022B Bonds and will be used to fund capital improvements.

Some costs of construction were incurred by AACMD in 2022 but funds related to the costs were financed and transferred to AACMD by the CAB in 2023. Such costs in the amount of \$10,709,850 were recorded as due to AACMD in the Statement of Net Position.

NOTE 9 RELATED PARTIES

The property within the CAB service area is being developed by AH LLC (Developer) and/or entities affiliated with the Developer. A significant portion of the property located within the CAB's service area is owned by entities affiliated with the Developer. The CAB has six Board members. Three of the six Board members of the CAB are affiliated with the Developer. Of the three members of the CAB Board who are not affiliated with the Developer, one is an employee of a company providing consulting services to AACMD, one is the spouse of the Board member who is an employee of the company providing such consulting services, and one is the spouse of a Board member who is affiliated with the Developer. As such, these Board members may have conflicts of interest in dealing with the CAB.

During 2022, in accordance with the terms of the Agreement (see Note 6) and the OFA, the Authority repaid the Developer \$27,805,296 in both principal and interest for operating and capital advances. Of these payments, \$24,230,442 were funded from the 2021A Bonds Project Account for capital reimbursements which were certified by an independent engineer. As of December 31, 2022, the Developer owed the Authority \$2,722,629. The receivable December 31. The receivable was paid in full as of February 28, 2023.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 RELATED PARTIES (CONTINUED)

Multiple-Year Operation Funding Agreement

The CAB and Aurora Highlands, LLC (AH LLC) entered into the Multiple-Year Operating Funding Agreement (OFA) on June 23, 2020, to provide funds to the CAB for operation and maintenance expenses incurred by the CAB. Per the OFA, AH LLC agrees to advance funds for ongoing operation and maintenance expenses incurred by the CAB through December 31, 2025, in the amount not to exceed \$4,000,000 (the Maximum Shortfall Amount). The CAB agrees to repay the advances from funds available after the payment of any debt service obligations and annual operation and maintenance expenses, which repayment is subject to annual budget appropriation. Simple interest shall accrue on each advance from the date of deposit at the rate of 8% per annum. In accordance with the OFA and the CABEA, the CAB shall repay in full advances made to AACMD by AH LLC and HC Development and Management Services Inc. pursuant to an Advance and Reimbursement Agreement dated January 19, 2005 and the 2017-2018 and 2019 Operations Funding Agreements, as amended, before any payments are to be made pursuant to the OFA. Pursuant to the CABEA, as acknowledged by the OFA, the CAB has assumed AACMD's reimbursement obligations. As of December 31, 2022, the CAB had no outstanding advances under the OFA.

NOTE 10 ECONOMIC DEPENDENCY

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

NOTE 11 RISK MANAGEMENT

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

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

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

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

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

SUPPLEMENTARY INFORMATION

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
System Development Fees	\$ 540,000	\$ 252,011	\$ (287,989)
Net Investment Income	25,000	1,846	(23,154)
Total Revenues	<u>565,000</u>	<u>253,857</u>	<u>(311,143)</u>
EXPENDITURES			
Bond Interest - Series 2021A Bonds	536,000	277,573	258,427
Cost of Issuance	-	2,625	(2,625)
Paying Agent Fee	10,000	10,500	(500)
Total Expenditures	<u>546,000</u>	<u>290,698</u>	<u>255,302</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	19,000	(36,841)	(55,841)
OTHER FINANCING SOURCES (USES)			
Transfer to Other Funds	-	(755)	(755)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(755)</u>	<u>(755)</u>
NET CHANGE IN FUND BALANCE	19,000	(37,596)	(56,596)
Fund Balance - Beginning of Year	<u>25,000,000</u>	<u>45,755</u>	<u>(24,954,245)</u>
FUND BALANCE - END OF YEAR	<u>\$ 25,019,000</u>	<u>\$ 8,159</u>	<u>\$ (25,010,841)</u>

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Net Investment Income	\$ 144,000	\$ 144,000	\$ 408,332	\$ 264,332
Total Revenues	144,000	144,000	408,332	264,332
EXPENDITURES				
Accounting	10,000	10,000	14,907	(4,907)
Legal	275,000	275,000	330,110	(55,110)
Bond Issue Costs	-	6,000,000	1,424,545	4,575,455
Capital Outlay	-	194,000,000	24,184,661	169,815,339
Intergovernmental Expense - AACMD Construction	328,350,900	328,350,900	52,862,989	275,487,911
Intergovernmental Expense - AACMD AF ATEC Spine	-	-	645,930	(645,930)
Intergovernmental Expense - AACMD ARTA	-	-	1,796,445	(1,796,445)
Intergovernmental Expense - AACMD Developer	-	-	2,867,761	(2,867,761)
Contingency	83,004	83,004	-	83,004
Total Expenditures	<u>328,718,904</u>	<u>528,718,904</u>	<u>84,127,348</u>	<u>444,591,556</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(328,574,904)	(528,574,904)	(83,719,016)	444,855,888
OTHER FINANCING SOURCES (USES)				
2022 Bond Proceeds	-	200,000,000	63,000,000	(137,000,000)
Developer Advances	400,000	400,000	24,184,661	23,784,661
Developer Reimbursements	-	-	2,867,761	2,867,761
Transfer from Other Funds	-	-	755	755
Transfer to Other Funds	(85,000)	(85,000)	-	85,000
Repay Developer Advances - Principal	(400,000)	(400,000)	(24,184,661)	(23,784,661)
Repay Developer Advances - Interest	(32,000)	(32,000)	(651,345)	(619,345)
Total Other Financing Sources (Uses)	<u>(117,000)</u>	<u>199,883,000</u>	<u>65,217,171</u>	<u>(134,665,829)</u>
NET CHANGE IN FUND BALANCE	(328,691,904)	(328,691,904)	(18,501,845)	310,190,059
Fund Balance - Beginning of Year	<u>328,691,904</u>	<u>328,691,904</u>	<u>161,755,753</u>	<u>(166,936,151)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,253,908</u>	<u>\$ 143,253,908</u>