

2023 ANNUAL REPORT
AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
(THE “DISTRICT”)
CITY OF AURORA, COUNTY OF ADAMS, STATE OF COLORADO

As required by Section 32-1-207(3)(c), C.R.S. and the requirements of Section VIII of the District's Second Amended and Restated Service Plan, approved by the City Council of the City of Aurora (the “City”), the following report of the activities from January 1, 2023 to December 31, 2023 is hereby submitted.

Relationship to The Aurora Highlands Community Authority Board / Third Amended and Restated Establishment Agreement. As of November 21, 2019, and pursuant to The Aurora Highlands Community Authority Board Third Amended and Restated Establishment Agreement, dated April 27, 2022 (the “CAB” and the “**Third A/R CABEA**,” respectively), the CAB has been organized to, *inter alia*, (a) facilitate the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and operation and maintenance of the Public Improvements; and (b) provide certain services contemplated by the Service Plans of the District, The Aurora Highlands Metropolitan District Nos. 1 - 5 (collectively “**TAH Nos. 1-5**”), The Aurora Highlands Metropolitan District No. 6, formerly known as First Creek Ranch Metropolitan District (“**TAH No. 6**”), and ATEC Metropolitan District Nos. 1 & 2 (collectively the “**ATEC Districts**”, and together with the District and TAH Nos. 1-6, the “**CAB Districts**”) on behalf of the CAB Districts, including covenant enforcement and design review services. Pursuant to the Third A/R CABEA, the CAB has: (i) entered into intergovernmental agreements with other governmental entities, (ii) adopted rules and regulations, (iii) conducted an audit, and (iv) issued debt to facilitate the construction of public improvements.

On August 29, 2023, the CAB issued its Special Tax Revenue Convertible Capital Appreciation Bonds, Series 2023A (the “**2023A Bonds**”) for the purpose of (a) paying Project Costs (as defined in the Limited Offering Memorandum related to the 2023A Bonds), and (b) paying certain costs incurred in the issuance of the 2023A Bonds. The 2023A Bonds, which rely on and are allocated against the debt authority of the CAB Districts, are secured, in part, by a pledge of revenues from certain of the CAB districts. The issuance of the CAB’s 2023A Bonds is reflected in the CAB’s 2023 Audit.

- A. **Boundary changes made or proposed to the District’s boundary as of December 31 of the report year.** There were no boundary changes processed during the reporting period.
- B. **Intergovernmental Agreements with other governmental entities, entered into, proposed or terminated as of December 31 of the report year.** The District entered into the following intergovernmental agreements during the reporting period:

East Cherry Creek Valley Water and Sanitation District Overlap Area Consent Agreement Regarding Aurora Highlands Filing 9 Sanitary Sewer Crossing. On March 9, 2023, the District and East Cherry Creek Valley Water and Sanitation District entered into an Overlap Area Consent Agreement Regarding Aurora Highlands Filing No. 9 Sanitary Sewer Crossing

in order to set forth the parties' respective rights and obligations in and to the Overlap Area (as defined therein) and the terms under which the District may construct, operate and maintain the Improvements within the Overlap Area.

East Cherry Creek Valley Water and Sanitation District Overlap Area Consent Agreement Regarding Aurora Highlands Filing 9 Storm Sewer Crossing. On September 14, 2023, the District and East Cherry Creek Valley Water and Sanitation District entered into an Overlap Area Consent Agreement Regarding Aurora Highlands Filing No. 9 Storm Sewer Crossing in order to set forth the parties' respective rights and obligations in and to the Overlap Area (as defined therein) and the terms under which the District may construct, operate and maintain the Improvements within the Overlap Area.

- C. **Access information to obtain a copy of rules and regulations adopted.** The CAB's Rules and Regulations may be accessed at the offices of CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111, or on the District's website: <https://theaurorahighlands.specialdistrict.net>.
- D. **A summary of any litigation which involves the District Public Improvements.** There is currently no litigation, pending or threatened, against the District of which we are aware.
- E. **Status of the District's construction of the Public Improvements.** In its capacity as the Program Manager for ARTA and as the coordinator of construction projects for the CAB, of which the CAB Districts are members, the District constructed the following Public Improvements during the reporting period:
 - i. Grading/Stormwater Management;
 - ii. Site Utilities (Water, Sanitary Sewer, Storm Drainage Facilities);
 - iii. Public Minor and Arterial Roadways, including Streetlights; and
 - iv. Project Monumentation.
- F. **Conveyances or dedications of facilities or improvements, constructed by the District to the City.** All or portions of the following roadways were dedicated to the City during the reporting period:
 - i. East 42nd Avenue; and
 - ii. The Aurora Highlands Parkway.
- G. **The final assessed valuation of the District for the report year:** A copy of the 2023 certification of assessed valuation from Adams County is attached hereto as **Exhibit A**.
- H. **Current year budget, including a description of the Public Improvements to be constructed in such year.** Copies of the 2024 Budgets for the District and the CAB are attached hereto as **Exhibit B**.

During 2024, the following Public Improvements are anticipated to be constructed by the District in its capacity as the Program Manager for ARTA and as the coordinator of construction projects for TAH 1-6 and the ATEC Districts:

- i. Grading/Stormwater Management;

- ii. Site Utilities (Water, Sanitary Sewer, Storm Drainage Facilities);
- iii. Roadway Lighting/Traffic Control;
- iv. Curb, Gutter, Walkways/Trails;
- v. Asphalt Paving;
- vi. Streetscape/Hardscape;
- vii. Landscaping and Irrigation; and
- viii. Project Monumentation.

- I. **Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles, or audit exemption, if applicable.** Copies of the 2022 Audits for the District and CAB are attached hereto as **Exhibit C**. Requests for Extension of Time to File Audits for Year End December 31, 2023 have been filed with the State Auditor for both. Copies of the District and CAB 2023 Audits will be provided when available.
- J. **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.** There were no uncured events of default during the reporting period.
- K. **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.** There were no instances of the District's inability to pay its obligations during the reporting period.

EXHIBIT A
2023 Final Certification of Assessed Valuation

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **237 - AEROTROPOLIS AREA COORDINATING METRO**

IN ADAMS COUNTY ON 12/11/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2023 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$40
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$40
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$40
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$149
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

EXHIBIT B
2024 Budgets – District and CAB

AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 450,217	\$ 2,555,069	\$ 21,306,569
REVENUES			
Intergovernmental Revenue - CAB Developer Costs	2,867,761	10,000,000	30,000,000
Intergovernmental Revenue- CAB ARTA	1,796,445	15,000,000	15,000,000
Intergovernmental Revenue- ARTA	13,899,996	-	20,000,000
Intergovernmental Revenue- CAB Construction	53,091,538	100,000,000	80,000,000
Intergovernmental Revenue- CAB AF ATEC Spine	645,930	250,000	300,000
Interest income	104	1,500	1,000
Other revenue	262,449	-	-
Intergovernmental revenues	14,130	-	-
Total revenues	72,578,353	125,251,500	145,301,000
Total funds available	73,028,570	127,806,569	166,607,569
EXPENDITURES			
General Fund	21,840	-	-
Capital Projects Fund	70,451,661	106,500,000	152,380,000
Total expenditures	70,473,501	106,500,000	152,380,000
Total expenditures and transfers out requiring appropriation	70,473,501	106,500,000	152,380,000
ENDING FUND BALANCES	\$ 2,555,069	\$ 21,306,569	\$ 14,227,569

AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/30/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Agricultural

\$	40	\$	40	\$	40
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Certified Assessed Value

\$	40	\$	40	\$	40
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MILL LEVY

Total mill levy

0.000	0.000	0.000
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PROPERTY TAXES

Budgeted property taxes

\$	-	\$	-	\$	-
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BUDGETED PROPERTY TAXES

General

\$	-	\$	-	\$	-
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\$	-	\$	-	\$	-
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**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 7,710	\$ -	\$ -
REVENUES			
Intergovernmental revenues	14,130	-	-
Total revenues	14,130	-	-
Total funds available	21,840	-	-
EXPENDITURES			
General and administrative			
Insurance	1,325	-	-
Miscellaneous	54	-	-
Intergovernmental expenditures	20,461	-	-
Total expenditures	21,840	-	-
Total expenditures and transfers out requiring appropriation	21,840	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 442,507	\$ 2,555,069	\$ 21,306,569
REVENUES			
Intergovernmental Revenue - CAB Developer Costs	2,867,761	10,000,000	30,000,000
Intergovernmental Revenue- CAB ARTA	1,796,445	15,000,000	15,000,000
Intergovernmental Revenue- ARTA	13,899,996	-	20,000,000
Intergovernmental Revenue- CAB Construction	53,091,538	100,000,000	80,000,000
Intergovernmental Revenue- CAB AF ATEC Spine	645,930	250,000	300,000
Interest income	104	1,500	1,000
Other revenue	262,449	-	-
Total revenues	72,564,223	125,251,500	145,301,000
Total funds available	73,006,730	127,806,569	166,607,569
EXPENDITURES			
General and Administrative			
Accounting	60,990	80,000	90,000
District management	18,395	50,000	55,000
Legal	81,105	120,000	150,000
Miscellaneous	950	5,000	5,000
Construction Trailer Expenses	106,568	165,000	150,000
Furniture and Equipment	-	5,000	15,000
Office Supplies and Expenses	23,763	15,000	20,000
Contingency	-	-	400,000
Other			
Infrastructure Improvements - ARTA	13,899,996	15,000,000	15,000,000
Infrastructure Improvements - ATEC	645,930	250,000	300,000
Infrastructure Improvements - Developer Costs	2,867,761	10,000,000	30,000,000
Capital Projects			
Utilities	19,726,095	-	-
Streets	334,930	11,000,000	12,000,000
Storm drainage	74,732	-	-
Engineering	308,081	100,000	200,000
Architecture	-	25,000	300,000
Camera Monitoring	54,543	65,000	70,000
Other Capital Outlay	-	70,000	20,000,000
Civil Engineering	2,998,389	3,000,000	4,000,000
Construction Assistance	1,494,465	80,000	100,000
Cost Verification	489,254	450,000	450,000
Damage Control	70,574	10,000	75,000
Erosion Control	1,381,902	1,500,000	1,500,000
Grading/Earthwork	9,366,283	8,000,000	8,000,000
Landscape, Hardscape & Monumentation	9,180,775	25,000,000	25,000,000
Parks/Recreation	156,215	3,500,000	3,500,000
Permits and Fees	-	10,000	100,000
Program Management	4,052,019	5,000,000	6,000,000
Project Assistance	1,420,708	1,600,000	1,600,000
Stormwater	-	500,000	1,000,000
Surveying	155,216	300,000	300,000
Trib T Geomorphology	1,037,492	1,500,000	2,000,000
Utilities	209,030	14,000,000	15,000,000
Waterline	235,500	5,000,000	5,000,000
Transfers to other districts	-	100,000	-
Total expenditures	70,451,661	106,500,000	152,380,000
Total expenditures and transfers out requiring appropriation	70,451,661	106,500,000	152,380,000
ENDING FUND BALANCES	\$ 2,555,069	\$ 21,306,569	\$ 14,227,569

No assurance provided. See summary of significant assumptions.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Aerotropolis Area Coordinating Metropolitan District (the District), formerly known as Green Valley Ranch East Metropolitan District No. 1, was organized by order and decree of the District Court of Adams County, Colorado, recorded on December 7, 2004, to provide financing for the construction and installation of regional public improvements, including streets, traffic safety, water, sanitary sewer, park and recreation, public transportation, mosquito control, fire protection, and television relay improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The Court Order granting the District's name change was recorded on August 16, 2017. The District's Second Amended and Restated Service Plan (Service Plan) was approved by the City Council of the City of Aurora (City) and effective on April 23, 2022. The Service Plan does not authorize the District to provide fire protection or television relay services unless the District enters into an intergovernmental agreement with the City.

On November 7, 2017, the District voters approved a mill levy increase to generate property taxes of up to \$8,000,000,000 annually to pay, in part, the District's general cost of operations and maintenance. The mill levy is on all taxable property within the District for collection in 2018 and each year thereafter. Furthermore, the voters authorized the District to collect and expend levied taxes and any other income of the District without regard to any limitations imposed by TABOR. The total debt authorized for all services and improvements was \$104,000,000,000. The Service Plan limits the total debt issuance to \$8,000,000,000, with a maximum debt mill levy of 50.000 mills, subject to a change in calculating the residential assessed valuation.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to the financing and construction of the regional public improvements, and the repayment of the associated debt.

The District is a member of The Aurora Highlands Community Authority Board (CAB), which was first organized on November 21, 2019, pursuant to an intergovernmental agreement now including the District and the following eight other metropolitan districts: The Aurora Highlands Metropolitan District Nos. 1, 2, 3, 4, 5 and 6 (TAH 1-6) and ATEC Metropolitan District Nos. 1 and 2 (ATEC Districts) (collectively, the District, together with TAH 1-6, and the ATEC Districts, are the CAB Districts).

The District has historically received developer advances to help fund initial operating and administrative expenditures. On April 10, 2020, the District and CAB entered into that certain Project Management Intergovernmental Agreement pursuant to which the District will coordinate the development of the public improvements serving the CAB, and the CAB will advance funds to the District for costs associated with the construction of public improvements.

The District, the City, and Adams County established the Aerotropolis Regional Transportation Authority (ARTA) pursuant to an intergovernmental agreement entered into on February 27, 2018, under the authority of the Regional Transportation Authority Law, Section 43-4-601, et seq., C.R.S., in order to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of a regional transportation system. ARTA imposes an ARTA Mill Levy to provide for financing of the regional transportation system through ARTA. If ARTA's Mill Levy in any given year is less than 5.000 mills, the District will impose an Aurora Regional Improvements (ARI) Mill Levy and will collect the ARI Mill Levy revenues to be spent only pursuant to a Regional Intergovernmental Improvements Agreement.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (Continued)

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Section 29-1-105, C.R.S., using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The budgets are in accordance with the TABOR Amendment limitation. Emergency reserves required under TABOR have been provided.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (Continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

The District will not levy a property tax in 2024.

Developer Reimbursement

A portion of the capital improvements to be constructed are for the benefit of the Developer. The Developer will reimburse the District for these costs.

Intergovernmental Revenue

The District has entered into intergovernmental agreements with ARTA, whereby the District will receive funding from ARTA to help finance capital regional transportation improvements. Additionally, the District has budgeted capital funding from bond proceeds that were issued by the CAB in 2021, in 2022, and 2023.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating Expenses

The District is a member of the CAB. The CAB will provide all the administrative and operating expenditures, which include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, meeting expense, and other administrative expenses.

Capital Outlay

The budget anticipates construction activity during 2024 and is detailed on page 5.

Debt and Leases

The District has no capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2024, as defined under TABOR.

This information is an integral part of the accompanying budget.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2024

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 161,768,916	\$ 143,734,365	\$ 42,594,365
REVENUES			
System Development Fees	252,011	180,000	350,000
Design Review Fee	354,455	102,000	22,500
Operations Funding	-	4,750	5,000
Interest income	1,846	-	-
Design Review Fee	408,332	3,000,500	1,500,500
Developer advance	25,530,326	63,000	150,000
Developer Reimbursements	2,867,761	10,000,000	30,000,000
Other revenue	5,010	200	5,000
Intergovernmental revenues	-	1,148,962	2,057,306
Intergovernmental Revenue - AACMD	20,461	-	-
Intergovernmental Transfers	489,351	-	-
Repaymet from ARTA	-	-	20,000,000
Bond issuance proceeds	63,000,000	25,740,291	100,000,000
Homeowner fees	160,811	345,000	360,000
PILOT revenue	4,000,000	-	-
Total revenues	97,090,364	40,584,703	154,450,306
TRANSFERS IN	755	-	-
Total funds available	258,860,035	184,319,068	197,044,671
EXPENDITURES			
General Fund	5,870,863	2,041,829	2,571,000
Debt Service Fund	290,698	188,659	350,500
Capital Projects Fund	108,963,354	139,494,215	158,114,000
Total expenditures	115,124,915	141,724,703	161,035,500
TRANSFERS OUT	755	-	-
Total expenditures and transfers out requiring appropriation	115,125,670	141,724,703	161,035,500
ENDING FUND BALANCES	\$ 143,734,365	\$ 42,594,365	\$ 36,009,171
EMERGENCY RESERVE	\$ 151,000	\$ 47,200	\$ 73,500
AVAILABLE FOR OPERATIONS	321,298	17,181	19,687
TOTAL RESERVE	\$ 472,298	\$ 64,381	\$ 93,187

No assurance provided. See summary of significant assumptions.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (32,592)	\$ 472,298	\$ 64,381
REVENUES			
PILOT revenue	4,000,000	-	-
Developer advance	1,345,665	63,000	150,000
Plan and Design Review Fees	354,455	102,000	22,500
Operations Funding	-	4,750	5,000
Other revenue	5,010	200	5,000
Intergovernmental revenues	-	1,118,962	2,057,306
Intergovernmental Revenue - AACMD	20,461	-	-
Intergovernmental Transfers	489,351	-	-
Homeowner fees	160,811	345,000	360,000
Total revenues	<u>6,375,753</u>	<u>1,633,912</u>	<u>2,599,806</u>
Total funds available	<u>6,343,161</u>	<u>2,106,210</u>	<u>2,664,187</u>
EXPENDITURES			
General and administrative			
Accounting	245,042	250,000	280,000
Auditing	19,500	20,000	20,000
Dues and membership	2,928	4,829	6,000
Insurance	54,918	72,000	75,000
District management	176,417	180,000	210,000
Billing	33,289	80,000	80,000
Covenant Enforcement	13,404	18,000	40,000
Legal	339,477	230,000	370,000
Miscellaneous	2,246	22,000	3,000
Election	4,257	18,000	-
Permit and Fees	1,390	-	-
Design Review Fee	215,461	-	-
Contingency	-	-	33,000
Community Relations	12,184	10,000	50,000
Community Management	233,622	305,000	315,000
Media Relations	43,035	30,000	-
Website	1,825	2,000	21,000
Reimbursement to Homebuilder	16,800	-	-
Repay Developer Advance Principal	2,709,335	-	-
Repay Developer Advance Interest	259,954	-	-
Operations and maintenance			
Landscape Maintenance	1,255,687	300,000	430,000
Detention Pond Maintenance	-	-	10,000
Intergovernmental Expense - AACMD Construction	14,130	-	-
Snow removal	-	100,000	120,000
Trash Collection	25,731	-	-
Trash and Recycling	-	50,000	70,000
Water	162,094	300,000	320,000
Winter Watering	-	-	20,000
Electricity	28,137	50,000	95,000
Mailbox Maintenance	-	-	3,000
Total expenditures	<u>5,870,863</u>	<u>2,041,829</u>	<u>2,571,000</u>
Total expenditures and transfers out requiring appropriation	<u>5,870,863</u>	<u>2,041,829</u>	<u>2,571,000</u>
ENDING FUND BALANCES	<u>\$ 472,298</u>	<u>\$ 64,381</u>	<u>\$ 93,187</u>
EMERGENCY RESERVE	\$ 151,000	\$ 47,200	\$ 73,500
AVAILABLE FOR OPERATIONS	321,298	17,181	19,687
TOTAL RESERVE	<u>\$ 472,298</u>	<u>\$ 64,381</u>	<u>\$ 93,187</u>

No assurance provided. See summary of significant assumptions.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 45,755	\$ 8,159	\$ -
REVENUES			
Interest income	1,846	-	-
Net Investment Income	-	500	500
System Development Fees	252,011	180,000	350,000
Total revenues	<u>253,857</u>	<u>180,500</u>	<u>350,500</u>
Total funds available	<u>299,612</u>	<u>188,659</u>	<u>350,500</u>
EXPENDITURES			
General and administrative			
Paying agent fees	10,500	10,000	10,000
Contingency	-	10,000	10,000
Debt Service			
2021A Bonds Interest	277,573	168,659	330,500
Bond issue costs	2,625	-	-
Total expenditures	<u>290,698</u>	<u>188,659</u>	<u>350,500</u>
TRANSFERS OUT			
Transfers to other fund	<u>755</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>291,453</u>	<u>188,659</u>	<u>350,500</u>
ENDING FUND BALANCES	<u>\$ 8,159</u>	<u>\$ -</u>	<u>\$ -</u>

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 161,755,753	\$ 143,253,908	\$ 42,529,984
REVENUES			
Net Investment Income	408,332	3,000,000	1,500,000
Developer advance	24,184,661	-	-
Developer Reimbursements	2,867,761	10,000,000	30,000,000
Repaymet from ARTA	-	-	20,000,000
Intergovernmental revenues	-	30,000	-
Bond issuance proceeds	63,000,000	25,740,291	100,000,000
Total revenues	90,460,754	38,770,291	151,500,000
TRANSFERS IN			
Transfers from other funds	755	-	-
Total funds available	252,217,262	182,024,199	194,029,984
EXPENDITURES			
General and Administrative			
Accounting	14,907	9,000	10,000
District management	-	3,000	4,000
Legal	330,110	275,000	300,000
Bond issue costs	1,424,545	611,590	2,500,000
Contingency	-	50,000	-
Capital Projects			
Capital outlay	24,184,661	20,000,000	25,000,000
Intergovernmental Expense - AACMD Construction	55,305,364	100,000,000	80,000,000
Intergovernmental Expense - AACMD ARTA	-	-	20,000,000
Intergovernmental Expense - AACMD AF ATEC Spine	-	200,000	300,000
Intergovernmental Expense - AACMD Dev. Reimbursement	2,867,761	10,000,000	30,000,000
Repay Developer Advance Interest	651,345	82,826	-
Repay Developer Advance Principal	24,184,661	8,262,799	-
Total expenditures	108,963,354	139,494,215	158,114,000
Total expenditures and transfers out requiring appropriation	108,963,354	139,494,215	158,114,000
ENDING FUND BALANCES	\$ 143,253,908	\$ 42,529,984	\$ 35,915,984

No assurance provided. See summary of significant assumptions.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Aurora Highlands Community Authority Board (CAB), a political subdivision and public corporation of the State of Colorado, was established on November 21, 2019, to own, operate, and maintain certain public improvements within the boundaries of The Aurora Highlands Development (TAH) and Aurora Tech Center (ATEC) Development, which is located within the City of Aurora (City), in Adams County, Colorado, pursuant to The Aurora Highlands Community Authority Board Establishment Agreement as amended and restated (CABEA) among the Aerotropolis Area Coordinating Metropolitan District (AACMD), The Aurora Highlands Metropolitan District Nos. 1-6, and ATEC Metropolitan District Nos. 1-2 (collectively, the Districts).

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

The CAB prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Section 29-1-105, C.R.S., using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the CAB believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The budget is in accordance with the TABOR Amendment limitation. Emergency reserves required under TABOR have been provided.

Revenues

Homeowner Maintenance Fees

The CAB collects monthly fees in the amount of \$100 from homeowners within TAH to pay for the costs of trash removal, maintenance of parks and future recreation facilities, snow removal, utilities, and administrative costs, such as accounting, legal, insurance, and management.

Intergovernmental Transfers

Pursuant to certain agreements entered into between the CAB and the Districts, the Districts will impose an operations mill levy and debt service mill levy and will transfer tax revenues, net of collection fees, to the CAB to pay for the operations and maintenance costs and the repayment of 2021 Bonds of the CAB.

Capital Facility Fees

The CAB imposes capital facility fees on commercial property and residential lots within TAH upon the issuance of building permits at a rate of \$2,500 per single-family unit; \$1,500 per multi-family unit, and \$1 per square foot of commercial property. The Capital Facility Fees are pledged toward the payment of the CAB's 2021 Bonds.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advance

Developer advances represent administrative costs and capital In-Tract builder costs funded by the Developer. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment.

Expenditures

General, Administrative, Operations, and Maintenance Expenses

The CAB's 2023 budget includes office costs, fees for outsourced services (legal, accounting, management, etc.), insurance, dues, and other administrative expenditures. The budget also includes operations and maintenance costs for parks, streets, snow removal, trash removal, utilities, and other related expenditures. The CAB will provide all the administrative services for the other districts that are CAB members.

Debt Service

The Series 2021 Bonds are paid based on available funds, as such a debt amortization schedule has not been included. It is anticipated that all system development fees collected in 2023 will be used to pay debt service on the CAB's 2021 Bonds.

Capital Outlay

The CAB has entered into that certain Project Management Intergovernmental Agreement with AACMD, dated April 10, 2020, pursuant to which AACMD will manage and construct the public infrastructure within TAH, and the CAB will transfer bond proceeds to AACMD for payment of the costs thereof.

Debt and Leases

The CAB issued the 2020 Bonds on June 30, 2020, with an estimated par amount of \$165,159,327 for the 2020A Bonds and \$32,338,830 for the 2020B Bonds. The 2020 Bonds were issued on a "draw-down" basis. All amounts drawn on the 2020 Bonds were refunded in the issuance of the 2021 Bonds.

On December 22, 2021, the CAB issued Special Tax Revenue Refunding and Improvement Bonds, Series 2021A in the aggregate amount of \$297,464,000 interest rate of 5.75% for the purposes of (i) refunding the Series 2020A and 2020B Bonds, (ii) paying or reimbursing project costs, (iii) and paying certain costs incurred in connection with the issuance of the Series 2021A 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 AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

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.

In December of 2022, the CAB issued Subordinate Special Tax Revenue Bonds, Series 2022B in the amount of 63,000,000 (2022B Bonds). The 2022B Bonds are structured as cash flow bonds that pay each year on December 15. The interest rate is to be determined. Any 2022A Bonds Pledged Revenue available to the 2022B Bonds are to be used to pay current interest, accrued interest, and then principal.

In August of 2023, the CAB issued Special Tax Revenue Convertible Capital Appreciation Bonds, Series 2023A in the amount of \$25,740,291.25 (original principal amounts) \$35,575,000 (accrued value at current interest conversion date) (2023A Bonds) and interest rate of 7.75%. The 2023A Bonds are structured as capital appreciation bonds, with Pledged Revenues collected prior to the maturity date to be applied to principal annually on December 1 and at no penalty. The 2023A Bonds are to accrete on June 1 and December 1 through maturity. No scheduled principal and interest payments are required until December 1, 2028.

The 2022 estimates and 2023 projections for the long-term debt service activities are summarized in the tables below.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

	Balance - December 31, 2022	Additions*	Retirements*	Balance - December 31, 2023*
<u>Governmental Activities</u>				
Bonds from Direct Borrowings				
Special Tax Revenue				
Refunding Bonds				
Series 2021A	297,464,000	-	-	297,464,000
Special Tax Capital				
Appreciation Bonds				
Series 2022B	63,000,000	-	-	63,000,000
Series 2023A	-	35,575,000	-	35,575,000
Subtotal of Bonds from Direct Borrowings	360,464,000	35,575,000	-	396,039,000
Other Debts				
Developer Advances:				
Operations	-	63,000	-	63,000
Capital	-	-	-	-
Accrued Interest on:				
Developer Advances - Operations	-	-	-	-
Developer Advances - Capital	-	-	-	-
Subtotal - Other Debts	-	63,000	-	63,000
Total Long-Term Obligations	\$ 360,464,000	\$ 35,638,000	\$ -	\$ 396,102,000
	Balance - December 31, 2023*	Additions*	Retirements*	Balance - December 31, 2024*
<u>Governmental Activities</u>				
Bonds from Direct Borrowings				
Special Tax Revenue				
Refunding Bonds				
Series 2021A	\$ 297,464,000	\$ -	\$ -	\$ 297,464,000
Special Tax Capital				
Appreciation Bonds				
Series 2022B	63,000,000	-	-	63,000,000
Series 2023A	35,575,000	-	-	35,575,000
Subtotal of Bonds from Direct Borrowings	396,039,000	-	-	396,039,000
Other Debts				
Developer Advances:				
Operations	63,000	150,000	-	213,000
Capital	-	-	-	-
Accrued Interest on:				
Developer Advances - Operations	-	11,103	-	11,103
Developer Advances - Capital	-	-	-	-
Subtotal - Other Debts	63,000	161,103	-	224,103
Total Long-Term Obligations	\$ 396,102,000	\$ 161,103	\$ -	\$ 396,263,103

*Estimated amounts

The CAB has no operating or capital leases.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The CAB has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2024, as defined under TABOR.

This information is an integral part of the accompanying budget.

EXHIBIT C
2022 Audits – District and CAB

**AEROTROPOLIS AREA
COORDINATING METROPOLITAN DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Aerotropolis Area Coordinating Metropolitan District
Adams County, Colorado

Opinions

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

In our opinion, the 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 District 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate 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 District'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 9 of the financial statements, the District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, the District may be dependent upon the developer of the District's service area for funding of continued operations.

Fiscal Focus Partners

Arvada, Colorado
July 29, 2023

BASIC FINANCIAL STATEMENTS

AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments - Restricted	\$ 1,932,970
ARTA Accounts Receivable	3,302,065
TAHCAB Funding Receivable	10,709,850
Escrow Deposit	586,000
Prepaid Insurance	200,000
Capital Assets:	
Capital Assets, Net of Accumulated Depreciation	39,053
Total Assets	<u>16,769,938</u>
LIABILITIES	
Accounts Payable	11,628,780
Retainage Payable	2,539,536
Due to TAHCAB	7,500
Total Liabilities	<u>14,175,816</u>
NET POSITION	
Net Investment in Capital Assets	39,053
Unrestricted	2,555,069
Total Net Position	<u><u>\$ 2,594,122</u></u>

See accompanying Notes to Basic Financial Statements.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
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	\$ 320,381	\$ -	\$ 14,130	\$ 72,335,569	\$ 72,029,318
Total Governmental Activities	<u>\$ 320,381</u>	<u>\$ -</u>	<u>\$ 14,130</u>	<u>\$ 72,335,569</u>	72,029,318
GENERAL REVENUES					
Net Investment Income					104
Total General Revenues					<u>104</u>
SPECIAL ITEMS					
Transfer of Capital Assets to CAB					(56,259,894)
Transfer of Capital Assets to ARTA					<u>(13,899,996)</u>
Total Special Items					<u>(70,159,890)</u>
CHANGE IN NET POSITION					
					1,869,532
Net Position - Beginning of Year					<u>724,590</u>
NET POSITION - END OF YEAR					
					<u>\$ 2,594,122</u>

See accompanying Notes to Basic Financial Statements.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments - Restricted	\$ -	\$ 1,932,970	\$ 1,932,970
Accounts Receivable - ARTA	-	2,398,764	2,398,764
Accounts Receivable - ARTA Advanced Funding	-	903,301	903,301
Due from CAB	-	9,806,549	9,806,549
Due from CAB - ARTA AF	-	903,301	903,301
Prepaid Expense	-	200,000	200,000
Escrow Deposit	-	586,000	586,000
Total Assets	<u>\$ -</u>	<u>\$ 16,730,885</u>	<u>\$ 16,730,885</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts Payable	\$ -	\$ 11,628,780	\$ 11,628,780
Retainage Payable	-	2,539,536	2,539,536
Due to TAHCAB	-	7,500	7,500
Total Liabilities	<u>-</u>	<u>14,175,816</u>	<u>14,175,816</u>
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid Amounts	-	786,000	786,000
Assigned for:			
Capital Projects	-	1,769,069	1,769,069
Total Fund Balances	<u>-</u>	<u>2,555,069</u>	<u>2,555,069</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 16,730,885</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.			<u>39,053</u>
Net Position of Governmental Activities			<u>\$ 2,594,122</u>

See accompanying Notes to Basic Financial Statements.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Capital Projects	Total Governmental Funds
REVENUES			
Intergovernmental Revenue - ARTA	\$ -	\$ 13,899,996	\$ 13,899,996
Intergovernmental Revenue - CAB	14,130	-	14,130
Intergovernmental Revenue - CAB ARTA	-	1,796,445	1,796,445
Intergovernmental Revenue - CAB AF ATEC Spine	-	645,930	645,930
Intergovernmental Revenue - CAB Construction	-	53,091,538	53,091,538
Intergovernmental Revenue - CAB Developer	-	2,867,761	2,867,761
Net Investment Income	-	104	104
Other Revenue	-	262,449	262,449
Total Revenues	<u>14,130</u>	<u>72,564,223</u>	<u>72,578,353</u>
EXPENDITURES			
Current:			
Accounting	-	60,990	60,990
Construction Trailer Expenses	-	106,568	106,568
District Management	-	18,395	18,395
Insurance	1,325	-	1,325
Intergovernmental Expense - CAB	20,461	-	20,461
Legal	-	81,105	81,105
Miscellaneous	54	950	1,004
Office Supplies and Expenses	-	23,763	23,763
Capital:			
Capital Outlay - Other	-	17,413,687	17,413,687
Capital Outlay - Construction in Process	-	52,746,203	52,746,203
Total Expenditures	<u>21,840</u>	<u>70,451,661</u>	<u>70,473,501</u>
NET CHANGE IN FUND BALANCES	(7,710)	2,112,562	2,104,852
Fund Balances - Beginning of Year	<u>7,710</u>	<u>442,507</u>	<u>450,217</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 2,555,069</u></u>	<u><u>\$ 2,555,069</u></u>

See accompanying Notes to Basic Financial Statements.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds	\$ 2,104,852
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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	70,159,890
Dedication of Capital Assets to Other Governments	(70,159,890)
Depreciation Expense	(6,770)

Some deferred revenues, which were received subsequent to a measurement date, are reported in governmental funds in the current year. However, those revenues were reported in the Statement of Activities in the prior year.

Change in Deferred Revenue	(228,550)
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Change in Net Position of Governmental Activities	<u>\$ 1,869,532</u>
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**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budgets		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenue - CAB	\$ -	\$ 14,130	\$ 14,130	\$ -
Other Revenue	2,379	160	-	(160)
Total Revenues	2,379	14,290	14,130	(160)
EXPENDITURES				
Insurance	-	1,325	1,325	-
Miscellaneous	-	54	54	-
Intergovernmental Expense - CAB	7,621	20,461	20,461	-
Contingency	2,379	160	-	160
Total Expenditures	10,000	22,000	21,840	160
NET CHANGE IN FUND BALANCE	(7,621)	(7,710)	(7,710)	-
Fund Balance - Beginning of Year	7,621	7,710	7,710	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Aerotropolis Area Coordinating Metropolitan District (District), formerly known as Green Valley Ranch East Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court in and for Adams County, Colorado on December 7, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). Throughout 2021, the District operated under its First Amended and Restated Service Plan approved by the City of Aurora (City) on October 16, 2017 (subsequently amended by the Second Amended and Restated Service Plan approved by the City on February 28, 2022) (Service Plan). The District's service area is located in Adams County, Colorado, entirely within the City. The District was formed in conjunction with seven other metropolitan districts: The Aurora Highlands Metropolitan District Nos. 1-3 (formerly known as Green Valley Ranch East Metropolitan District Nos. 2-4) (TAH 1-3), Green Valley Aurora Metropolitan District No. 1 (formerly known as Green Valley Ranch East Metropolitan District No. 5) (GVA), and Green Valley Ranch East Metropolitan District Nos. 6-8 (the GVRE Districts).

As set forth in the District's Service Plan, the primary purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop, and finance the Public Improvements (as defined in the Service Plan). The District's Service Plan does not authorize the District to provide fire protection, television relay and translation services, or golf course construction unless the District enters into an intergovernmental agreement with the City. The District is authorized to provide for the funding of Regional Improvements pursuant to the Aerotropolis Regional Transportation Authority (ARTA) Establishment Agreement (as supplemented) or the Regional Intergovernmental Improvements Agreement described in the Service Plan and Note 6. Except for park and recreational facilities, the operation and maintenance of most District services and facilities is anticipated to be provided by other Special Districts, the City, or ARTA.

On November 21, 2019, the District, TAH Nos. 1-3, and ATEC Metropolitan District Nos. 1-2 (ATEC Nos. 1-2) (collectively, the CAB Districts), formed The Aurora Highlands Community Authority Board (CAB) pursuant to the CAB Establishment Agreement (as amended and restated) to govern the relationships between and among the CAB Districts with respect to the financing, construction, and operation of public improvements within their combined service area. In 2022, The Aurora Highlands Metropolitan District Nos. 4-6 adopted the CAB Establishment Agreement, as amended and restated, and become CAB Districts. One or more of the CAB Districts may enter into additional intergovernmental agreements concerning the financing, construction, and operation of public improvements benefitting the CAB Districts and their residents and owners.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and inter-governmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows 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.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District 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 District reports the following major governmental funds:

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

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

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

Pooled Cash and Investments

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

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Depreciation expense has been computed using the straight-line method over the following estimated useful lives:

Construction Trailer	10 Years
Furniture and Equipment	5 Years

Equity

Net Position

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

Fund Balance

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

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

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.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

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

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 - Restricted	\$ 1,932,970
Total Cash and Investments	<u>\$ 1,932,970</u>

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

Deposits with Financial Institutions	\$ 1,922,206
Investments	<u>10,764</u>
Total Cash and Investments	<u>\$ 1,932,970</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.

AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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 District's cash deposits had a bank balance of \$2,580,491 and a carrying balance of \$1,922,206.

Investments

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

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

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

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

- . 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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	<u>\$ 10,764</u>

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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	Deductions	Balance - December 31, 2022
Capital Assets, Not Being Depreciated:				
Construction in Progress - CAB	\$ -	\$ 52,746,203	\$ 52,746,203	\$ -
Construction in Progress - ARTA	-	13,899,996	13,899,996	-
Construction in Progress - Developer Portion	-	2,867,761	2,867,761	-
Construction in Progress - ATEC Spine	-	645,930	645,930	-
Total Capital Assets, Not Being Depreciated	-	70,159,890	70,159,890	-
Capital Assets, Being Depreciated				
Construction Trailer	57,792	-	-	57,792
Construction Trailer Furniture and Equipment	4,957	-	-	4,957
Total Capital Assets, Being Depreciated	62,749	-	-	62,749
Less Accumulated Depreciation for:				
Construction Trailer	(14,448)	(5,779)	-	(20,227)
Construction Trailer Furniture and Equipment	(2,478)	(991)	-	(3,469)
Total Accumulated Depreciation	(16,926)	(6,770)	-	(23,696)
Total Capital Assets, Being Depreciated, Net	45,823	(6,770)	-	39,053
Governmental Activities - Capital Assets, Net	<u>\$ 45,823</u>	<u>\$ 70,153,120</u>	<u>\$ 70,159,890</u>	<u>\$ 39,053</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

General Government \$ 6,770

The District acts as Project Manager to the CAB per a Project Management Intergovernmental Agreement (CAB Project Management IGA), described in Note 6. In accordance with the CAB Project Management IGA, all construction in progress benefitting the CAB Districts was transferred to the CAB during 2022. 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 District also acts as Project Manager to ARTA per an Intergovernmental Agreement Regarding Project Management of the Design and Construction of the Aerotropolis Regional Transportation Authority Regional Transportation System. See Note 6.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS

The District had no long-term obligations for the year ended December 31, 2022:

CAB Bonds

On June 30, 2020, the CAB issued Special Tax Revenue Draw-Down Bonds Series 2020A (2020A Bonds) with a par amount of \$165,159,327 and Subordinate Special Tax Revenue Draw-Down Bonds Series 2020B (2020B Bonds) with a par amount of \$32,338,830 and a final maturity of December 15, 2059.

The 2020A Bonds bore interest at the rate of 8% per annum which is payable from available pledged revenues on each December 15, beginning in 2020. The principal on the 2020A Bonds was payable at final maturity or upon optional redemption. The 2020B Bonds bore interest at the rate of 9% per annum which was payable on each December 15, beginning in 2020, to the extent that pledged revenue was available after payments due on the 2020A Bonds were satisfied.

On December 22, 2021, the CAB issued Special Tax Revenue Refunding and Improvement Bonds, Series 2021A (2021A Bonds) in the amount of \$297,464,000 and Subordinate Special Tax Revenue Draw Down Bonds, Series 2021B (2021B Bonds) with an estimated par amount of \$70,000,000. The 2021A Bonds were issued to refund the 2020A and 2020B bonds, to pay project costs and certain costs incurred in connection with the issuance of the 2021A Bonds.

The 2021A Bonds are structured as "cash flow" bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Instead, principal is payable on each December 1 from and to the extent of Pledged Revenue, if any, pursuant to a mandatory redemption. To the extent principal of any Bond is not paid when due, such principal is to remain outstanding until the earlier of its payment or the Termination Date and is to continue to bear interest at the rate then borne by the Bond.

The 2021A Bonds bear interest at 5.75% per annum and mature on December 1, 2051. To the extent interest on any Bond is not paid when due, such unpaid interest shall compound annually on each December 1, at the interest rate then borne by the Bond.

The 2021B Bonds constitute draw down obligations of the CAB, and the principal amount thereof at issuance was zero. The 2021B Bonds 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.

Pledged revenue for the interest and principal payments on the 2021A Bonds will come from the required debt service mill levies, associated specific ownership taxes, capital fees, and payments in lieu of tax revenues (PILOT) of the District, TAH Nos. 1-3 and ATEC No. 2.

AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

CAB Bonds (Continued)

Pledged revenue for the interest and principal payments on the 2021B Bonds are a subordinate lien on the pledged revenues of 2021A Bonds.

The District has pledged revenue for interest and principal payments on the 2021A Bonds pursuant to the District's Revenue Pledge Agreement dated December 22, 2021 (Pledge Agreement). The Pledge Agreement requires the District to impose a debt service mill levy after the date that the assessed valuation of the District is equal to or greater than \$10,000,000. The District's debt service mill levy will be determined under the pledge Agreement based upon whether the property within the District's boundaries developed for residential, non-residential, or high-density residential uses. Pledged revenue for the interest and principal payments on the 2021B Bonds are a subordinate lien on the pledged revenues of the 2021A Bonds.

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

In 2022, pursuant to the CAB Establishment Agreement and the Project IGA (Note 6) the CAB transferred \$53,091,538 to the District to fund current capital expenditures that includes \$52,421,133 of funding from 2021A Bonds and \$1,013,199 from 2022B Bonds less capital administrative costs of \$342,794.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 7, 2017, a voting majority of the qualified electors of the District authorized the issuance of general obligation debt totaling \$104,000,000,000 at an interest rate not to exceed 18% per annum. This election supersedes all prior elections. On December 31, 2022, the District had authorized, but unissued general obligation indebtedness in the following amounts for the following purposes:

	Authorized November 7, 2017 Election	Used for 2020 Bonds (1)	Used for 2021 Bonds (1)	Used for 2022 Bonds (1)	Remaining at December 31, 2022
Streets	\$ 8,000,000,000	\$ 65,177,160	\$ 172,914,424	\$ 58,625,466	\$ 7,703,282,950
Water Supply System	8,000,000,000	654,230	1,735,666	588,466	7,997,021,638
Storm and Sanitary Sewer	8,000,000,000	3,575,580	9,485,982	3,216,158	7,983,722,280
Parks and Recreation	8,000,000,000	633,600	1,680,935	569,910	7,997,115,555
Mosquito Control	8,000,000,000	-	-	-	8,000,000,000
Fire Protection	8,000,000,000	-	-	-	8,000,000,000
Television Relay/Translation	8,000,000,000	-	-	-	8,000,000,000
Public Transportation	8,000,000,000	-	-	-	8,000,000,000
Traffic and Safety Controls	8,000,000,000	-	-	-	8,000,000,000
Debt Refunding	8,000,000,000	-	111,646,993	-	7,888,353,007
Operations and Maintenance	8,000,000,000	-	-	-	8,000,000,000
Intergovernmental Agreements	8,000,000,000	-	-	-	8,000,000,000
Security	8,000,000,000	-	-	-	8,000,000,000
Total	<u>\$ 104,000,000,000</u>	<u>\$ 70,040,570</u>	<u>\$ 297,464,000</u>	<u>\$ 63,000,000</u>	<u>\$ 103,569,495,430</u>

(1) Debt issued by The Aurora Highlands Community Authority Board

Per the District's Service Plan, the District is prohibited from issuing debt in excess of \$8,000,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 AGREEMENTS

Intergovernmental Agreement with Aurora

The District and the City are parties to an Intergovernmental Agreement dated October 30, 2017, (subsequently amended by the Amended and Restated Intergovernmental Agreement dated April 21, 2022) (City IGA) pursuant to the requirements of the Service Plan. Under the City IGA, the District covenants to dedicate public improvements to the City or other appropriate jurisdiction, and covenants that all improvements will be constructed in compliance with the City's standards and specifications. The City IGA states that the District is authorized to operate and maintain improvements that are not dedicated to the City or another entity. Pursuant to the District's Service Plan and the Intergovernmental Agreement Regarding Imposition, Collection, and Transfer of ARI Mill Levies by and between the District and ARTA dated May 22, 2019 (ARI Mill Levy IGA), the District is required to impose a mill levy for Aurora Regional Improvements (ARI Mill Levy) in each year the District imposes a debt service mill levy.

Tax revenues derived from the ARI Mill Levy (which shall be five (5.00) mills, plus Gallagher Adjustment, minus any ARTA Mill Levy) from property located within the ARTA boundaries shall be remitted to ARTA for payment of the costs associated with the planning, design, permitting, construction, acquisition, and financing of the regional transportation system improvements described in the ARI Master Plan. The District shall cease to be obligated to impose the ARI Mill Levy at such time as the area within the District's boundaries is included within a different district organized under the Special District Act, a Business Improvement District, or a General Improvement District which has been organized to fund a part or all of the Regional Improvements.

Intergovernmental Agreement Regarding Sharing of Tax Revenue

On October 20, 2015, the District entered into an Intergovernmental Agreement Regarding Sharing of Tax Revenue (Tax IGA) with First Creek Ranch Metropolitan District (now known as The Aurora Highlands Metropolitan District No. 6) (TAH No. 6), Second Creek Ranch Metropolitan District (Second Creek), and Central Adams County Water and Sanitation District (Central Adams) in order to provide for the efficiency and management of revenues and expenses of all the districts subject to the Tax IGA. Pursuant to the Tax IGA, TAH No. 6, Second Creek, and Central Adams agreed to remit all net tax revenues to the District. The District was to utilize such tax revenues to pay for the collective operations, administrative and capital infrastructure costs incurred by each of the districts, to the extent as allowed for and provided by each district's respective Service Plan. Further, for the benefit of all districts, the District was authorized to provide for the reimbursement of costs or other payables that may be owed to developers with whom each individual district may have a contractual advance and reimbursement agreement. The Tax IGA was terminated on March 31, 2022.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 AGREEMENTS (CONTINUED)

Aerotropolis Regional Transportation Authority Agreements

On February 27, 2018, Adams County Board of Commissioners (County), the City and the District entered into an Intergovernmental Agreement Establishing ARTA (as supplemented by the First Supplement dated July 19, 2021). The purpose of ARTA is to construct or cause to have constructed a Regional Transportation System within or outside the boundaries of ARTA for the primary benefit of those residing or owning property within the boundaries through the issuance on bonded indebtedness. The Regional Transportation System improvements will be conveyed to the appropriate governing jurisdiction, regardless of whether such jurisdiction is a member of ARTA, for ownership, operation, maintenance, repair, and replacement. On November 7, 2017, eligible voters within ARTA authorized the incurrence of general obligation debt totaling \$600,000,000 at an interest rate not to exceed 9% per annum for funding the Regional Transportation System improvements. Sources of revenue from within the boundaries of ARTA for the repayment of the bonded indebtedness include: (1) City – 100% of City Use Tax on construction materials less 0.25% dedicated to increasing staffing of the City police department and operation and maintenance of the City detention facilities and 100% of a City Transportation Impact Fee for residential development; (2) County – 50% of County General Fund Property Tax and 100% of County Road and Bridge Fund Tax; and (3) District – 100% of a mill levy of 5.000 mills on all taxable real property through the imposition of an ARTA Mill Levy, imposed either by the District or by ARTA. The ARTA Mill Levy will replace the ARI Mill Levy to the extent that the ARTA Mill Levy is not less than 5.000 mills (as adjusted by the Gallagher Adjustment) in any tax collection year.

On May 22, 2019, the District and ARTA entered into the Intergovernmental Agreement Regarding Management of the Design and Construction of the Aerotropolis Regional Transportation Authority Regional Transportation System (Project Management IGA), and the Intergovernmental Agreement Regarding Interim Maintenance of Aerotropolis Regional Transportation Authority Regional Transportation System Improvements (Interim Maintenance IGA). The Project Management IGA obligates the District to coordinate, administer, and oversee (i) the preparation of all budgets, schedules, contracts, and other documents pertaining to; and (ii) to design and construct the development of ARTA regional transportation system improvements. No more frequently than once a month, the District may submit a draw request to ARTA for payment of the verified costs incurred in performance of the District's obligations under the Project Management IGA. The District will operate and maintain the ARTA regional transportation system improvements and certain other ancillary, connective improvements prior to final acceptance by the City or other appropriate accepting jurisdiction pursuant to the Project Management IGA, and the costs associated with such interim maintenance are to be reimbursed by ARTA to the District.

On August 12, 2020, the District and ARTA entered into the Intergovernmental Agreement Regarding Design and Construction of the Aurora Highlands Parkway, as amended on July 28, 2021 (TAH Parkway IGA). Per the TAH Parkway IGA, the District agrees that it will advance on ARTA's behalf any and all funds reasonably necessary to plan, design and construct the Aurora Highlands Parkway Improvements (TAH Improvements) beyond the Available TAH Parkway Funds (as defined in the TAH Parkway Agreement). The District will plan, design, and construct the TAH Improvements consistent with the provisions of the Project Management IGA. The parties agree that in order to maintain consistency with

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 AGREEMENTS (CONTINUED)

Aerotropolis Regional Transportation Authority Agreements (Continued)

estimated and allocated costs as set forth in the Capital Plan, 58% of all costs actually incurred to complete the TAH Improvements are allocated to the District and 42% are allocated to ARTA.

On October 7, 2021, ARTA issued additional bonds, Series 2021 Bonds, in part in order to reimburse the District for the TAH Parkway Advances. Upon issuance of the 2021 Bonds, ARTA repaid the amount owing to the District plus accrued interest as of October 7, 2021 in the total amount of \$8,336,246. On December 31, 2022, the amount of the ARTA receivable owed the District was \$3,302,065 under the TAH Parkway IGA..

ARI Mill Levy Intergovernmental Agreements

The District is a party to four Intergovernmental Agreements Regarding Imposition, Collection, and Transfer of ARI Mill Levies with (i) ARTA (dated May 22, 2019), (ii) ARTA and TAH Nos. 1-3, (iii) ARTA and ATEC Nos. 1-2, and (iv) ARTA and the GVRE Districts (ARI Mill Levy IGAs) (ARI Mill Levy IGAs (ii) through (iv) are dated October 12, 2021). Pursuant to the ARI Mill Levy IGAs, each of the CAB Districts and the GVRE Districts are required to impose an ARI Mill Levy equal to five (5) mills, plus any applicable Gallagher Adjustment, minus any mill levy imposed by ARTA, on all property within their respective boundaries and transfer the revenues derived therefrom to ARTA within sixty (60) days of the receipt thereof for use by ARTA.

Inclusion Agreements

Effective June 29, 2020, the District entered into Inclusion Agreements with landowners (Owners) within its service area. 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 the District 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.

Mill Levy Policy Agreement

Effective June 30, 2020, the CAB and the CAB Districts entered into a Mill Levy Policy Agreement, which was amended and restated on December 22, 2021. The Amended and Restated Mill Levy Allocation Policy Agreement evidences the mutual benefits enjoyed by the CAB and CAB Districts by the provision, operation and maintenance of the Public Improvements (as defined in the Amended and Restated Mill Levy Policy Agreement) and the obligations of the CAB and the CAB Districts under the CAB Establishment Agreement and certain pledge agreements to impose and collect required mill levies to ensure the timely repayment of the CAB Bonds issued over time and the payment of administrative and operation and maintenance costs.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 AGREEMENTS (CONTINUED)

Water Line Construction and Cost Reimbursement Agreement

On July 28, 2020, the District and the City entered into a Water Line Construction and Cost Reimbursement Agreement (Water Line Reimbursement Agreement) to set forth the terms under which the District will undertake and fund the installation of certain portions of the Aurora Pipeline Project and the City will reimburse the District for certain approved incremental costs associated with installation of said improvements. The terms of the Water Line Reimbursement Agreement were amended by the Letter of Agreement regarding Payment to Accelerate Installation and the Letter of Agreement regarding Request to Expedite Installation of Pipeline Section.

Project Management Intergovernmental Agreements

On May 22, 2019, the District and ARTA entered into an Intergovernmental Agreement Regarding Project Management of the Design and Construction of the ARTA Regional Transportation System, as discussed above in the Aerotropolis Regional Transportation Authority Agreements.

On April 10, 2020, the District entered into a Project Management Intergovernmental Agreement (Project IGA) with the CAB. Pursuant to the Project IGA, the District shall provide project management services for public improvements to be owned, operated, and maintained by the CAB. The District shall coordinate, administer, and oversee: (1) the preparation of all budgets, schedules, contracts, and other documents pertaining to the public improvements; and (2) the planning, design, engineering, testing, construction, and installation for the public improvements. The District has engaged and will continue to engage engineers, surveyors, and other consultants and construction contractors as reasonably necessary to complete the public improvements.

NOTE 7 NET POSITION

The District has net position consisting of two components – net investment in capital assets and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investment in capital assets of \$39,053.

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 unrestricted net position was \$2,555,069.

NOTE 8 RELATED PARTIES

The property within the District is owned by and is being developed by the Developer/TAH LLC and/or entities affiliated with the Developer. Three of the District's Board members are officers of, employees of, or are associated with the Developer in consulting capacities. The fourth District Board member is an employee of a company providing consulting services to

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 RELATED PARTIES (CONTINUED)

the District. As such, these Board members may have conflicts of interest in dealing with the District.

NOTE 9 ECONOMIC DEPENDENCY

The District 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 District will be dependent upon funding by the CAB.

NOTE 10 RISK MANAGEMENT

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

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

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

NOTE 11 COMMITMENTS AND CONTINGENCIES

As of December 31, 2022, the District had unexpended construction-related commitments of \$38,641,668.

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

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 13 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

In November 7, 2017, a majority of the District's electors authorized the District to collect, retain, and spend all revenues without regard to limitation under TABOR in 2017 and all subsequent years.

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

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

SUPPLEMENTARY INFORMATION

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budgets		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenue - ARTA	\$ 10,000,000	\$ 10,000,000	\$ 13,899,996	\$ 3,899,996
Intergovernmental Revenue - CAB ARTA	-	-	1,796,445	1,796,445
Intergovernmental Revenue - CAB AF ATEC Spine	-	-	645,930	645,930
Intergovernmental Revenue - CAB Construction	329,144,000	523,144,000	53,091,538	(470,052,462)
Intergovernmental Revenue - CAB Developer	25,000	25,000	2,867,761	2,842,761
Net Investment Income	1,000	1,000	104	(896)
Other Revenue	-	-	262,449	262,449
Total Revenues	339,170,000	533,170,000	72,564,223	(460,605,777)
EXPENDITURES				
Current:				
Accounting	60,000	60,000	60,990	(990)
Construction Trailer Expenses	75,000	75,000	106,568	(31,568)
District Management	60,000	60,000	18,395	41,605
Furniture and Equipment	15,000	15,000	-	15,000
Legal	100,000	100,000	81,105	18,895
Miscellaneous	5,000	5,000	950	4,050
Office Supplies and Expenses	25,000	25,000	23,763	1,237
Other:				
Infrastructure Improvements - ARTA	10,000,000	10,000,000	13,899,996	(3,899,996)
Infrastructure Improvements - ATEC	500,000	500,000	645,930	(145,930)
Infrastructure Improvements - Developer	25,000	25,000	2,867,761	(2,842,761)
Capital Outlay:				
Architecture	300,000	300,000	-	300,000
Camera Monitoring	100,000	100,000	54,543	45,457
Capital Outlay:	267,000,000	461,000,000	-	461,000,000
Civil Engineering	3,000,000	3,000,000	2,998,389	1,611
Construction Assistance	400,000	400,000	1,494,465	(1,094,465)
Cost Verification	250,000	250,000	489,254	(239,254)
Damage Control	-	-	70,574	(70,574)
Engineering	-	-	308,081	(308,081)
Erosion Control	500,000	500,000	1,381,902	(881,902)
GIS Services	150,000	150,000	-	150,000
Grading/Earthwork	6,000,000	6,000,000	9,366,283	(3,366,283)
Landscape, Hardscape and Monumentation	10,000,000	10,000,000	9,180,775	819,225
Parks/recreation	-	-	156,215	(156,215)
Permits and Fees	150,000	150,000	-	150,000
Program Management	3,000,000	3,000,000	4,052,019	(1,052,019)
Project Assistance	500,000	500,000	1,420,708	(920,708)
Sanitary Sewer Interceptor	3,000,000	3,000,000	-	3,000,000
Storm Drainage	6,000,000	6,000,000	74,732	5,925,268
Storm Water Management	500,000	500,000	-	500,000
Streets	15,000,000	15,000,000	334,930	14,665,070
Surveying	500,000	500,000	155,216	344,784
Trib T Geomorphology	3,000,000	3,000,000	1,037,492	1,962,508
Utilities	2,000,000	2,000,000	19,726,095	(17,726,095)
Utility Relocation	1,200,000	1,200,000	209,030	990,970
Waterline	5,000,000	5,000,000	235,500	4,764,500
Contingency	755,000	755,000	-	755,000
Total Expenditures	339,170,000	533,170,000	70,451,661	462,718,339
NET CHANGE IN FUND BALANCE	-	-	2,112,562	2,112,562
Fund Balance - Beginning of Year	2,281,641	2,281,641	442,507	(1,839,134)
FUND BALANCE - END OF YEAR	<u>\$ 2,281,641</u>	<u>\$ 2,281,641</u>	<u>\$ 2,555,069</u>	<u>\$ 273,428</u>

**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.

I

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

	<u>Governmental Activities</u>
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	<u>193,070,287</u>
Total Assets	<u>348,015,422</u>
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	<u>377,841,797</u>
Total Liabilities	<u>389,052,567</u>
NET POSITION	
Restricted for:	
Emergencies (TABOR)	151,000
Unrestricted	<u>(41,188,145)</u>
Total Net Position	<u><u>\$ (41,037,145)</u></u>

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	<u>\$ 80,812,962</u>	<u>\$ 515,266</u>	<u>\$ 509,812</u>	<u>\$ 3,119,772</u>	(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					<u>60,675,082</u>
CHANGE IN NET POSITION					
					(15,993,030)
Net Position - Beginning of Year					<u>(25,044,115)</u>
NET POSITION - END OF YEAR					
					<u>\$ (41,037,145)</u>

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
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				<u>(17,377,797)</u>
Net Position of Governmental Activities				<u>\$ (41,037,145)</u>

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	<u>\$ 472,298</u>	<u>\$ 8,159</u>	<u>\$ 143,253,908</u>	<u>\$ 143,734,365</u>

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	(727,811)

Change in Net Position of Governmental Activities	\$ (15,993,030)
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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	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
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	1,052,539	4,860,703	5,030,088	169,385
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	1,640,000	3,010,953	2,901,574	109,379
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)	635,000	(1,583,954)	(1,623,624)	(39,670)
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	<u>\$ 112,625,732</u>	<u>\$ 80,444,555</u>	<u>\$ -</u>	<u>\$ 193,070,287</u>

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	297,891,605	17,227,765	277,573	314,841,797	-
 Bonds from Direct Borrowings:					
Special Tax Revenue:					
Draw-Down Bonds:					
Series 2022B	-	63,000,000	-	63,000,000	-
Subtotal of Bonds from Direct Borrowings	-	63,000,000	-	63,000,000	-
 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	1,547,158	26,258,137	27,805,295	-	-
 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
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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>

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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
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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. 2020000059148. 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	<u>\$ 151,000</u>

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	565,000	253,857	(311,143)
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	546,000	290,698	255,302
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)	-	(755)	(755)
NET CHANGE IN FUND BALANCE	19,000	(37,596)	(56,596)
Fund Balance - Beginning of Year	25,000,000	45,755	(24,954,245)
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	Variance with Final Budget
	Original	Final	Amounts	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	328,718,904	528,718,904	84,127,348	444,591,556
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)	(117,000)	199,883,000	65,217,171	(134,665,829)
NET CHANGE IN FUND BALANCE	(328,691,904)	(328,691,904)	(18,501,845)	310,190,059
Fund Balance - Beginning of Year	328,691,904	328,691,904	161,755,753	(166,936,151)
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 143,253,908	\$ 143,253,908