ACC METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2023

with

Independent Auditors' Report

CONTENTS

Independent Auditors' Report

Board of Directors
ACC Metropolitan District
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the ACC Metropolitan District (the "District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, and the respective changes in financial position 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.

Tatton and Company, CPAs
P.O. BOX 157
Cedaredge, CO. 81413

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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

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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 financial statements as a whole. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Tatton and Company, LLC

Cedaredge, CO
July 16, 2024

Tatton and Company, CPAs
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ACC METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2023

	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Net Position
ASSETS						
Cash and investments	$ 64	$ -	$ -	$ 64	$ -	$ 64
Cash and investments - restricted	2,578	726,707	-	729,285	-	729,285
Receivable - County Treasurer	970	9,625	-	10,595	-	10,595
Property taxes receivable	82,918	1,660,240	-	1,743,158	-	1,743,158
Prepaid expenses	4,602	-	-	4,602	-	4,602
Due from other funds	145,082	14,147	-	159,229	(159,229)	-
Due from developer	-	-	177,134	177,134	(177,134)	-
Capital assets not being depreciation	-	-	-	-	18,486,758	18,486,758
Total Assets	$ 236,214	$ 2,410,719	$ 177,134	$ 2,824,067	18,150,395	20,974,462
LIABILITIES						
Accounts payable	$ 12,024	$ -	$ 17,905	$ 29,929	$ -	$ 29,929
Accrued interest on loans	-	-	-	-	46,708	46,708
Due to other funds	-	-	159,229	159,229	(159,229)	-
Current portion of long-term debt	-	-	-	-	247,921	247,921
Long-term liabilities:						
Due in more than one year	-	-	-	-	23,367,718	23,367,718
Total Liabilities	12,024	-	177,134	189,158	23,503,118	23,692,276
DEFERRED INFLOW OF RESOURCES						
Deferred property taxes	82,918	1,660,240	-	1,743,158	-	1,743,158
Total Deferred Inflows of Resources	82,918	1,660,240	-	1,743,158	-	1,743,158
FUND BALANCES/NET POSITION						
Fund Balances:						
Nonspendable:						
Prepaids	4,602	-	-	4,602	(4,602)	-
Restricted:						
Emergencies	2,578	-	-	2,578	(2,578)	-
Debt Service	-	750,479	-	750,479	(750,479)	-
Unassigned	134,092	-	-	134,092	(134,092)	-
Total Fund Balances	141,272	750,479	-	891,751	(891,751)	-
Total Liabilities, Deferred Inflows of of Resources and Fund Balances	$ 236,214	$ 2,410,719	$ 177,134	$ 2,824,067		
Net Position:						
Restricted for:						
Emergencies					2,578	2,578
Debt service					703,771	703,771
Unrestricted					(5,167,321)	(5,167,321)
Total Net Position					$ (4,460,972)	$ (4,460,972)

The notes to the financial statements are an integral part of these statements.

ACC METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS'
For the Year Ended December 31, 2023

	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Activities
EXPENDITURES						
General expenses:						
Accounting	$ 7,933	$ -	$ 11,900	$ 19,833	$ -	$ 19,833
Audit	10,000	-	-	10,000	-	10,000
Election	1,129	-	-	1,129	-	1,129
Insurance	3,480	-	-	3,480	-	3,480
Landscape maintenance	-	-	-	-	-	-
Legal	9,967	-	14,950	24,917	-	24,917
Management fees	4,286	-	6,429	10,715	-	10,715
Miscellaneous expenses	1,999	-	-	1,999	-	1,999
Property management	-	-	-	-	-	-
Snow removal	-	-	-	-	-	-
Treasurer's fees	1,232	11,855	-	13,087	-	13,087
Utilities	-	-	-	-	-	-
Prior year abatement	9,186	91,132	-	100,318	-	100,318
Capital expenses:						
Capital outlay	-	-	1,895,262	1,895,262	(1,895,262)	-
Engineering	-	-	96,851	96,851	(96,851)	-
Debt service:						
Loan principal	-	343,613	-	343,613	(343,613)	-
Loan interest expense	-	444,482	-	444,482	12,541	457,023
Loan fees	-	71,169	-	71,169	-	71,169
ARTA mill levy	-	25,151	-	25,151	-	25,151
Paying agent/trustee fees	-	10,312	-	10,312	-	10,312
Repay developer advances - Principal	-	-	2,018,129	2,018,129	(2,018,129)	-
Repay developer advances - Interest	-	-	1,469,140	1,469,140	(866,585)	602,555
Total Expenditures	49,212	997,714	5,512,661	6,559,587	(5,207,899)	1,351,688
GENERAL REVENUES						
Property taxes	82,106	790,335	-	872,441	-	872,441
Specific ownership taxes	5,635	55,902	-	61,537	-	61,537
ARTA revenue	-	24,234	-	24,234	-	24,234
Interest income	2	13,296	124	13,422	-	13,422
Total General Revenues	87,743	883,767	124	971,634	-	971,634
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	38,531	(113,947)	(5,512,537)	(5,587,953)	5,207,899	(380,054)
OTHER FINANCING SOURCES (USES)						
Developer advances	-	-	2,025,268	2,025,268	(2,025,268)	-
Loan proceeds	-	3,558,438	-	3,558,438	(3,558,438)	-
Transfer to (from) other funds	-	(3,487,269)	3,487,269	-	-	-
Total Other Financing Sources (Uses)	-	71,169	5,512,537	5,583,706	(5,583,706)	-
NET CHANGES IN FUND BALANCES	38,531	(42,778)	-	(4,247)	4,247	
CHANGE IN NET POSITION					(380,054)	(380,054)
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	102,741	793,257	-	895,998	(4,976,916)	(4,080,918)
END OF YEAR	$ 141,272	$ 750,479	$ -	$ 891,751	$ (5,352,723)	$ (4,460,972)

The notes to the financial statements are an integral part of these statements.

ACC METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL-
GENERAL FUND
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	$ 82,106	$ 82,106	$ 82,106	$ -
Specific ownership taxes	2,200	2,200	5,635	3,435
Interest income	-	-	2	2
Total Revenues	84,306	84,306	87,743	3,437
EXPENDITURES				
Accounting	11,900	7,933	7,933	-
Audit	7,500	16,000	10,000	6,000
Election	1,000	3,480	1,129	2,351
Insurance	4,000	9,967	3,480	6,487
Legal	15,000	1,129	9,967	(8,838)
Management fees	16,200	4,286	4,286	-
Miscellaneous expenses	2,000	1,999	1,999	-
Treasurer's fees	1,232	1,232	1,232	-
Prior year abatement	-	-	9,186	(9,186)
Repay developer advances	30,000	30,000	-	30,000
Contingency	20,000	48,974	-	48,974
Emergency Reserve	2,529	-	-	-
Total Expenditures	111,361	125,000	49,212	75,788
NET CHANGE IN FUND BALANCE	(27,055)	(40,694)	38,531	79,225
FUND BALANCE:				
BEGINNING OF YEAR	79,515	105,273	102,741	(2,532)
END OF YEAR	$ 52,460	$ 64,579	$ 141,272	$ 76,693

The notes to the financial statements are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

The accounting policies of the ACC Metropolitan District ("the District"), located in Adams County, Colorado, (the "County"), conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on November 12, 2003, as a quasi-municipal organization established under the State of Colorado Special District Act. A First Amended and Restated Service Plan was approved by the City of Aurora (the "City") on August 22, 2011 and was additionally amended on May 21, 2018 (the "Service Plan"). The District was established to finance and construct streets, water systems, sanitary sewer, parks and recreation, and other public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows GASB Statement No. 61, The Financial Reporting Entity: Omnibus, which amended GASB Statement No. 14, The Financial Reporting Entity and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the

District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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.*

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

> General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.
>
> Debt Service Fund - The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.
>
> Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. 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 appropriation is at the total fund expenditures level and lapses at year end.

On November 8, 2023, the District amended its total appropriations in the General Fund from $111,361 to $125,000 primarily due to the increase in expenses over the amount budgeted, in the Debt Service Fund from $708,778 to $800,000 primarily due to the increase in the principal payments from the mandatory loan prepayments and in the Capital Projects Fund from $896,200 to $910,000 due to the repayment of developer advances that were not originally budgeted. On July 17, 2024, the District further amended its total appropriations in the Debt Service Fund from $800,000 to $4,500,000 primarily due to the increase in the principal payments from the mandatory loan prepayments and loan proceeds that were transferred to the Capital Projects Fund and in the Capital Projects Fund from $910,000 to $5,520,000 due to the repayment of developer advances from loan proceeds that were not originally budgeted.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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 minimum number of bank accounts. 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.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of December 31, 2023, the District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets 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 using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2023.

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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of $4,602 represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $2,578 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $750,479 is restricted for the payment of the costs associated with the 2019A and 2019B Loans, as defined below. (See Note 4)

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance
Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position
Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets - consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position - consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for Long-term Debt for costs that have been conveyed to other governmental entities.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and investments

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

Statement of net position:	
Cash and investments	$ 64
Cash and investments – restricted	729,285
	$ 729,349

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

Deposits with financial institutions	$ 726,707
Investments - COLOTRUST	2,642
	$ 729,349

Deposits
Custodial Credit Risk
The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% 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, 2023, the District's cash deposits had a bank balance and a carrying balance as follows:

	Bank Balance	Carrying Balance
Insured Deposits	$ 252,715	$ 252,715
Deposits Collateralized in Single Institution Pools	481,873	473,992
	$ 734,588	$ 726,707

Investments
Investment Valuation
The District 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; Level 3 inputs are significant unobservable inputs. The District's investment, is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value (NAV) per share.

Credit Risk
The District's investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk
None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk
Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Colotrust
The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of $1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PRIME. COLOTRUST PRIME may invest in U.S. Treasuries and repurchase agreements collateralized by U.S. Treasury securities, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of $1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. At December 31, 2023, the District had $2,642 invested in COLOTRUST.

Note 3: Capital Assets

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

Governmental Type Activities:	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Capital assets not being depreciated:				
Construction in Progress	$ 16,494,645	$ 1,992,113	$ -	$ 18,486,758
Total capital assets not being depreciated	16,494,645	1,992,113	-	18,486,758
Government type assets	$ 16,494,645	$ 1,992,113	$ -	$ 18,486,758

Upon completion and acceptance, all fixed assets will be conveyed by the District to other local governments. The District will not be responsible for maintenance.

Note 4: Long Term Debt

The following is an analysis of changes in long-term debt for the period ending December 31, 2023:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023	Current Portion
Direct Borrowings					
Series 2019A Loan	$ 9,435,000	$ -	$ 187,500	$ 9,247,500	$ 137,500
Series 2019B Loan	5,261,561	3,558,438	156,113	8,663,886	110,421
Total	14,696,561	3,558,438	343,613	17,911,386	247,921
Other					
Developer Advances - Capital - Principal	5,657,987.00	1,848,134.00	2,018,129.00	5,487,992.00	-
Developer Advances - Capital - Interest	986,561.00	596,850.00	1,469,140.00	114,271.00	-
Developer Advances - Operations - Principal	71,312.00	-	-	71,312.00	-
Developer Advances - Operations - Interest	24,973.00	5,705.00	-	30,678.00	-
Total	6,740,833.00	2,450,689.00	3,487,269.00	5,704,253.00	-
	$ 21,437,394	$ 6,009,127	$ 3,830,882	$ 23,615,639	$ 247,921

A description of the long-term obligations as of December 31, 2023, is as follows:

Direct Borrowings
Series 2019A & Series 2019B Loan Agreements

On September 26, 2019, the District entered into two loan agreements with Zions Bancorporation, N.A. doing business as Vectra Bank of Colorado.

Series 2019A Loan
The Series 2019A Loan ("2019A Loan") provides for a maximum aggregate borrowing in the amount of $10,000,000, $1,666,867 for the purpose of refunding the existing Taxable/TaxExempt General Obligation Limited Tax Note, Series 2013 and $8,333,133 for the purpose of paying project costs (including all advances). $6,125,000 of the total became immediately available upon execution of the 2019A Loan and $3,875,000 is to be made available when, and if, advanced in the future. During July 2020 and August 2021, an additional $3,500,000 and $375,000, respectively, was advanced on the 2019A loan. The 2019A Loan is secured by pledged revenue consisting of monies derived by the District from the required mill levy, the portion of specific ownership taxes allocable to the amount of the required mill levy and any other legally available monies which the Board determines in its sole discretion to apply as pledged revenue. Interest is due on June 1 and December 1 of each year commencing December 1, 2019 at a rate of 3.192%, 2.4% and 2.2% on the differing lines. The interest rate is based upon the Federal Home Loan Bank Board Fixed-Rate Advance rate plus 200/175 basis points times 80%, resetting December 1, 2024 and every three years thereafter. Principal repayments are required annually beginning December 1, 2020 and the 2019A Loan matures on December 1, 2049. Pursuant to the 2019A Loan Agreement, the 2019A Loan is subject to mandatory prepayment from moneys in the Mandatory Payment Fund to the extent provided in the Custodial Agreement, at a price of par and accrued interest, without Prepayment Fee or other premium. On December 1, 2023, the District paid a mandatory prepayment of $60,000.

Series 2019B Loan

The Series 2019B loan ("2019B Loan"), as amended and restated on November 11, 2022, provides for a maximum borrowing of $9,000,000 to be used for the purpose of paying or reimbursing the Project Costs as authorized in the 2003 Election. The 2019B Loan is secured by pledged revenue consisting of monies derived by the District from the required mill levy, the portion of specific ownership taxes allocable to the amount of the required mill levy and any other legally available monies which the Board determines in its sole discretion to apply as pledged revenue. Interest is due on June 1 and December 1 of each year at a rate of 2.216%, 4.784% and 4.912% on the differing lines. The 2019B loan commenced on December 1, 2019 and will mature on December 1, 2049. During September 2021, November 2022 and September 2023, an additional $4,805,673, $635,888 and $3,558,438, respectively, was advanced on the 2019B loan. Pursuant to the 2019B Loan Agreement, the 2019B Loan is subject to mandatory prepayment from moneys in the Mandatory Payment Fund to the extent provided in the Custodial Agreement, at a price of par and accrued interest, without Prepayment Fee or other premium. On December 1, 2023, the District paid a mandatory prepayment of $60,000.

On February 7, 2024, the District entered into the 2019A Loan and 2019B Loan Amended and Restated Loan Agreements, pursuant to which the District is no longer subject to mandatory prepayments.

The following is a summary of the annual long-term debt principal and interest requirement for the Series 2019A and Series 2019B Loans.

	Principal	Interest	Total
2024	247,921	579,823	827,744
2025	361,882	571,573	933,455
2026	371,882	559,667	931,549
2027	376,882	547,438	924,320
2028	435,285	536,513	971,799
2029-2033	2,372,521	2,460,629	4,833,150
2034-2038	3,339,090	2,023,574	5,362,664
2039-2043	4,416,535	1,423,030	5,839,565
2044-2048	5,451,464	639,000	6,090,464
2049	537,924	20,163	558,088
	17,911,387	9,361,412	27,272,799

Developer Advance Agreements

On June 18, 2018, the District entered into the Termination of Facilities Funding and Acquisition Agreement and Operation Funding Agreements with Denver Venture I, LLC (“DVI”) and concurrently the District entered into a new Facilities Funding and Acquisition Agreement ("New FFA") and new 2018 Operation Funding Agreement ("New OFA") with FR Aurora Commerce Center Phase I, LLC ("FR Aurora") and all amounts due under the Funding Agreement and OFA to DVI will be paid to FR Aurora under the New FFA and New OFA, as described in more detail below.

New FFA

On June 18, 2018, the District entered into the New FFA with FR Aurora, whereby FR Aurora shall advance funds necessary to fund the construction related expenses incurred by the District for fiscal years 2018 through 2025, up to the Shortfall Amount of $13,826,745. The District agrees to make payment to FR Aurora for all Prior Advances due to DVI, advances for construction related expenses and/or Verified Costs, together with interest thereon. The advances and/or verified costs and prior advances due DVI will bear simple interest at the rate of 8.0% per annum. In the event the District has not paid or reimbursed the Developer for any amounts due under the New FFA by December 31, 2058 or if the average useful life of the Improvements for which payment by the Developer is being sought has terminated, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. Balances of $5,487,992 in principal and $114,271 in accrued interest were outstanding as of December 31, 2023.

New OFA

On June 18, 2018, the District entered into the New OFA with FR Aurora, whereby FR Aurora shall advance funds necessary to fund, or shall directly pay, the operations and maintenance expenses needed for fiscal years 2018 through 2019, up to the Shortfall Amount of $60,000. Pursuant to the New OFA, the District agrees to make payment to FR Aurora for all Prior Advances due to DVI, together with interest thereon. The advances and prior advances due DVI will bear simple interest at the rate of 8.0% per annum. In the event the District has not paid or reimbursed the Developer for any amounts due under the New OFA by December 31, 2059, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. Balances of $71,312 in principal and $30,678 in accrued interest were outstanding as of December 31, 2023.

Debt Authorization

As of December 31, 2023, the District had $1,169,094,112 of voted but unissued debt for providing public improvements. 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. The District issued a Series 2024 Loan in the aggregate principal amount of $5,020,000 on February 7, 2024.

Note 5: Agreements

ARTA Agreement

On August 22, 2006 several metropolitan districts entered into the Aurora Regional Transportation Authority ("ARTA") Establishment Agreement with the City to effect the development of Regional Improvements (as defined therein) and the related overhead and administration costs associated therewith ("ARTA Agreement"). On June 6, 2013, the District entered into the Fifth Amendment to the ARTA Agreement, along with other metropolitan districts within the City. The ARTA Agreement has since been further amended to add additional metropolitan district members. Pursuant to the ARTA Agreement, as amended, ARTA will plan, design, acquire, construct, install, relocate and/or redevelop, and finance regional improvements within the boundaries of the metropolitan districts which are parties to the ARTA Agreement using the revenue from the ARI Mill Levy of each of the districts (as defined therein). In accordance with the ARTA Agreement and the District's Service Plan, the District imposes an ARI Mill levy.

Note 6: Related Party

The owner and developer of the property located within the boundaries of the District is FR Aurora. The members of the Board of Directors are employees of First Industrial Realty Trust, Inc., which is affiliated with FR Aurora, and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 7: Tax, Spending and Debt Limitations

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

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

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

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.

Note 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the "Pool") which is an organization created by intergovernmental agreement to provided common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and

2) long-term liabilities such as loans/developer advances and accrued developer advance interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in progress pending transfer to other governmental entities or depreciated over their useful lives;

2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;

3) governmental funds report loan proceeds and developer advances as revenue; and

4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

Note 10: Subsequent Events

On February 7, 2024, the District issued its General Obligation Loan Series 2024 ("Series 2024 Loan") in the principal amount of $5,020,000 made pursuant to the terms of a Loan Agreement by and among the District and Zions Bancorporation, N.A. DBA Vectra Bank Colorado dated February 7, 2024. The Series 2024 Loan was issued for the purpose of funding amounts to pay or reimburse the costs of public improvements.

SUPPLEMENTARY INFORMATION

ACC METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL-
DEBT SERVICE FUND
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	$ 790,335	$ 790,335	$ 790,335	$ -
Specific ownership taxes	25,000	25,000	55,902	30,902
ARTA revenue	24,234	24,234	24,234	-
Interest income	600	25	13,296	13,271
Total Revenues	840,169	839,594	883,767	44,173
EXPENDITURES				
Loan principal	223,613	350,000	343,613	6,387
Loan interest expense	420,076	500,000	444,482	55,518
Loan fees	-	-	71,169	(71,169)
ARTA mill levy	24,234	25,000	25,151	(151)
Paying agent/trustee fees	8,000	11,000	10,312	688
Prior year abatement	-	-	91,132	(91,132)
Miscellaneous	1,000	2,145	-	2,145
Contingency	20,000	-	-	-
Treasurer's fees	11,855	11,855	11,855	-
Total Expenditures	708,778	900,000	997,714	(97,714)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	131,391	(60,406)	(113,947)	(53,541)
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	3,600,000	3,558,438	(41,562)
Transfer to (from) other funds	-	(3,600,000)	(3,487,269)	112,731
Total Other Financing Sources (Uses)	-	-	71,169	71,169
NET CHANGE IN FUND BALANCE	131,391	(60,406)	(42,778)	17,628
FUND BALANCE:				
BEGINNING OF YEAR	911,809	911,809	793,257	(118,552)
END OF YEAR	$ 1,043,200	$ 851,403	$ 750,479	$ (100,924)

ACC METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL-
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Interest income	$ -	$ -	$ 124	$ 124
Total Revenues	-	-	124	124
EXPENDITURES				
Accounting	6,500	11,900	11,900	-
Legal	15,000	15,000	14,950	50
Management fees	9,700	9,700	6,429	3,271
Capital outlay	250,000	1,883,400	1,895,262	(11,862)
Engineering	500,000	100,000	96,851	3,149
Professional services	15,000	-	-	-
Repay developer advances - Principal	-	3,500,000	2,018,129	1,481,871
Repay developer advances - Interest	-	-	1,469,140	(1,469,140)
Contingency	100,000	-	-	-
Total Expenditures	896,200	5,520,000	5,512,661	7,339
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(896,200)	(5,520,000)	(5,512,537)	7,463
OTHER FINANCING SOURCES (USES)				
Developer advances	-	2,025,000	2,025,268	268
Transfer to (from) other funds	-	3,600,000	3,487,269	(112,731)
Total Other Financing Sources (Uses)	-	5,625,000	5,512,537	(112,463)
NET CHANGE IN FUND BALANCE	(896,200)	105,000	-	(105,000)
FUND BALANCE:				
BEGINNING OF YEAR	487,096	-	-	-
END OF YEAR	$ (409,104)	$ 105,000	$ -	$ (105,000)