

**COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 4
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019**

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	26
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	27
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	29



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086

FAX: 720.348.2920

Independent Auditor's Report

Board of Directors
Colorado International Center
Metropolitan District No. 4
Adams County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado International Center Metropolitan District No. 4 (District) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Colorado International Center Metropolitan District No. 4, as of December 31, 2019, 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.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that governmental 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 opinion on the basic financial statements is not affected by this missing information.

Other 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 listed in the table of contents is presented for purposes of additional analysis and are not a required part of the 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 basic financial statements as a whole.

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
June 22, 2020

BASIC FINANCIAL STATEMENTS

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	\$ 29,327,208
Other Receivable	6,426
Capital Assets:	
Capital Assets Not Being Depreciated	26,421,895
Total Assets	55,755,529
LIABILITIES	
Due to Aurora High Point at DIA Metropolitan District	37,266
Noncurrent Liabilities:	
Due in More than One Year	69,814,455
Total Liabilities	69,851,721
NET POSITION	
Unrestricted	(14,096,192)
Total Net Position	\$ (14,096,192)

See accompanying Notes to Basic Financial Statements.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

		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	\$ 7,413,989	\$ -	\$ -	\$ -	
Interest and Related Costs on Long-Term Debt	5,039,327	-	-	-	
Total Governmental Activities	\$ 12,453,316	\$ -	\$ -	\$ -	
				(12,453,316)	
				138,447	
				419,588	
				558,035	
				(11,895,281)	
				(2,200,911)	
				\$ (14,096,192)	

See accompanying Notes to Basic Financial Statements.

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	\$ -	\$ 6,544,180	\$ 22,783,028	\$ 29,327,208
Other Receivable	-	6,426	-	6,426
 Total Assets	\$ -	\$ 6,550,606	\$ 22,783,028	\$ 29,333,634
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Aurora High Point at DIA Metropolitan District	\$ -	\$ 10,000	\$ 27,266	\$ 37,266
Total Liabilities	-	10,000	27,266	37,266
FUND BALANCES				
Restricted for:				
Debt Service	-	6,540,606	-	6,540,606
Capital Projects	-	-	22,755,762	22,755,762
Total Fund Balances	-	6,540,606	22,755,762	29,296,368
 Total Liabilities and Fund Balances	\$ -	\$ 6,550,606	\$ 22,783,028	
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.				26,421,895
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds.				
Bonds Payable				(69,529,420)
Developer Advances				(20,064)
Accrued Interest on Bonds Payable				(244,571)
Accrued Interest on Developer Advances				(20,400)
Net Position of Governmental Activities				\$ (14,096,192)

See accompanying Notes to Basic Financial Statements.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
GID Revenue	\$ -	\$ 138,447	\$ -	\$ 138,447
Investment Income	-	89,874	329,714	419,588
Total Revenues	-	228,321	329,714	558,035
EXPENDITURES				
Debt Service:				
Bond Interest - 2015A	-	1,714,220	-	1,714,220
Bond Interest - 2015B	-	124,600	-	124,600
Bond Principal - 2015A	-	20,437,698	-	20,437,698
Bond Principal - 2015B	-	1,458,806	-	1,458,806
Bond Issue Costs	-	1,367,332	863,967	2,231,299
Capital Projects:				
Intergovernmental Expenditures - Aurora High Point MD	-	-	7,413,989	7,413,989
Capital Outlay	-	-	1,121,470	1,121,470
Total Expenditures	-	25,102,656	9,399,426	34,502,082
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	(24,874,335)	(9,069,712)	(33,944,047)
OTHER FINANCING SOURCES (USES)				
Bond Issuance - Series 2019A-1	-	41,816,497	-	41,816,497
Developer Advance	-	-	340,433	340,433
Bond Issuance - Series 2019A-2	-	-	21,331,205	21,331,205
Bond Issuance - Series 2019B-2	-	-	3,993,000	3,993,000
Developer Advance Interest	-	-	(463)	(463)
Repay Developer Advance	-	-	(4,957,039)	(4,957,039)
Transfer from Other Fund	-	-	10,393,296	10,393,296
Transfer to Other Fund	-	(10,393,296)	-	(10,393,296)
Total Other Financing Sources (Uses)	-	31,423,201	31,100,432	62,523,633
NET CHANGE IN FUND BALANCES				
	-	6,548,866	22,030,720	28,579,586
Fund Balances (Deficits) - Beginning of Year	-	(8,260)	725,042	716,782
FUND BALANCES - END OF YEAR				
	\$ -	\$ 6,540,606	\$ 22,755,762	\$ 29,296,368

See accompanying Notes to Basic Financial Statements.

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ 28,579,586

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 expenditures. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable assets over the estimated useful life of the asset. During the current period, this is the net amount of capital outlay.

Capital Outlay 1,121,470

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Bond Principal Payment	21,896,504
Repayment of Developer Advance	4,957,039
Current Year Debt - Bond Issuance	(67,140,702)
Current Year Bond Accretion	(2,388,718)
Current Year Debt - Developer Advance	(340,433)

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 Developer Advances - Change in Liability	(1,185)
Accrued Interest on Bonds Payable - Change in Liability	<u>1,421,158</u>

Change in Net Position of Governmental Activities \$ (11,895,281)

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive – (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Total Expenditures	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 DEFINITION OF REPORTING ENTITY

Colorado International Center Metropolitan District No. 4 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by an order and decree of the District Court recorded in Adams County on January 18, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Aurora (the City) on August 30, 2004, and modified on August 14, 2006. Concurrently with the formation of the District, the City approved the formation of Aurora High Point at DIA Metropolitan District (the Management District) and Colorado International Center Metropolitan District Nos. 3, 5, 6, 7, 8, 9, 10 and 11 (together with the District, the Taxing Districts) (collectively, the Aurora High Point Districts).

The District was established to provide the funding for improvements necessary for a portion of the High Point Development, consisting largely of water, sanitation, parks and recreation, street, safety protection, transportation, and other permitted improvements and facilities within and outside of the District. The operation and maintenance of most District services and facilities are anticipated to be provided by the City and not by the District. The District expects to own, operate, and maintain certain park and recreation improvements within the District. Per the Service Plan, the District is not authorized to provide fire protection facilities or television relay and translation facilities unless provided pursuant to an intergovernmental agreement with the City.

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, including the City and any of the Aurora High Point Districts.

The District has no employees and all 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. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the 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 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 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 GID revenue and interest income. 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 District currently has no activity in its General Fund.

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

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

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 component of the District's net position.

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.

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.

Due to the issuance of bonds in the fiscal year, the District amended its budget for the year ended December 31, 2019.

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds is 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.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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 District's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Investments - Restricted	<u>\$ 29,327,208</u>
Total Cash and Investments	<u><u>\$ 29,327,208</u></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.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

At December 31, 2019, the District had no deposits with financial institutions.

Investments

The District has adopted a formal investment policy whereby 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

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement and Application

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, 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 or mutual funds (generally held by Bank Trust Departments in their role as paying agent or trustee), and COLOTRUST (which are recorded at net asset value).

As of December 31, 2019, the District had the following investments, which were held in trust at UMB Bank:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	<u>\$ 29,327,208</u>

Colotrust

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in 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 the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2019, follows:

<u>By Classification</u>	Balance - December 31, 2018	Additions	Reductions	Balance - December 31, 2019
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 25,300,425	\$ 1,121,470	\$ -	\$ 26,421,895
Governmental Activities - Capital Assets, Net	<u>\$ 25,300,425</u>	<u>\$ 1,121,470</u>	<u>\$ -</u>	<u>\$ 26,421,895</u>

NOTE 5 LONG-TERM OBLIGATIONS

An analysis of the changes in long-term obligations for the year ended December 31, 2019, follows:

<u>Governmental Activities</u>	Balance - December 31, 2018	Additions	Retirements	Balance - December 31, 2019	Due Within One Year
Limited Tax G.O. and Special Revenue Refunding and Improvement Convertible Capital Appreciation Bonds Series 2019A-1	\$ -	\$ 43,376,228	\$ -	\$ 43,376,228	\$ -
Limited Tax G.O. and Special Revenue Convertible Capital Appreciation Bonds Series 2019A-2	-	22,160,192	-	22,160,192	-
Subordinate Limited Tax G.O. and Special Revenue Bonds Series 2019B-2	-	3,993,000	-	3,993,000	-
Senior Taxable Special Revenue Bonds - Series 2015A	20,437,698	-	20,437,698	-	-
Subordinate Taxable Special Revenue Bonds - Series 2015B	1,458,806	-	1,458,806	-	-
Accrued interest on Series 2019B-2	-	244,571	-	244,571	-
Unpaid Accrued Bond Interest	1,665,729	173,091	1,838,820	-	-
Developer Advance - ACCH	4,614,753	340,433	4,955,186	-	-
Developer Advance - AP	4,911	-	-	4,911	-
Accrued Interest on Developer Advances - AP	5,094	393	-	5,487	-
Developer Advance - ACM	17,006	-	1,853	15,153	-
Accrued Interest on Developer Advances - ACM	14,121	1,255	463	14,913	-
Total	<u>\$ 28,218,118</u>	<u>\$ 70,289,163</u>	<u>\$ 28,692,826</u>	<u>\$ 69,814,455</u>	<u>\$ -</u>

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

On April 18, 2019, the District issued three series of bonds: the Limited Tax General Obligation and Special Revenue Refunding and Improvement Convertible Capital Appreciation Bonds, Series 2019A-1 in the par amount of \$41,816,496.51 (2019A-1 Bonds); the Limited Tax General Obligation and Special Revenue Convertible Capital Appreciation Bonds, Series 2019A-2 in the par amount of \$21,331,204.90 (2019A-2 Senior Bonds); and the Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2019B-2 in the par amount of \$3,993,000.00 (2019B-2 Subordinate Bonds).

2019A-1 Bonds

Proceeds from the sale of the 2019A-1 Bonds were used to: (i) refund the District's currently outstanding Taxable Special Revenue Bonds, Senior Series 2015A and Subordinate Series 2015B (2015 Bonds); (ii) reimburse Aurora Convention Center Hotel, LLC, for the costs of public improvements; (iii) finance additional public improvements; (iv) fund the 2019A-1 Reserve Fund; and (v) pay other costs of issuance in connection with the Bonds.

The 2015 Bonds were refinanced to take advantage of lower interest rates and to provide additional financing for public improvements. The interest rate on the 2015 Bonds was between 2.50% and 8.00% with a maturity of December 1, 2040. The interest rate on the 2019A-1 Bonds is 6.00% with a maturity of December 31, 2040. There was no present value savings or loss on the refinancing.

The 2019A-1 Bonds are payable from: (i) GID revenues, (ii) RIDA PIF revenues, (iii) RIDA and ACM PILOT revenues, (iv) all income and earnings on investment and reinvestment of funds held by the trustee under the 2019A-1 Bond Indenture, and (v) any other legally available monies the District determines, in its sole discretion, to credit to the 2019A-1 Bonds (see Note 8 – Agreements).

The 2019A-1 Bonds were issued as accretion bonds, convertible to current interest bonds on December 1, 2025. Prior to conversion to current interest bonds, the 2019A-1 Bonds do not pay current interest and accrete in value at an annual yield equal to 6.00%. The accreted amount compounds semiannually on June 1 and December 1, beginning June 1, 2019, to and including December 1, 2025. Such accreted amount, together with the original principal amount of the 2019A-1 Bonds, bears interest at the interest rate borne by the 2019A-1 Bonds upon conversion to current interest bonds.

The accreted principal balance at conversion on December 1, 2025, will be \$61,845,000. Upon conversion to current interest bonds, the 2019A-1 Bonds will bear interest at a rate of 6.0%, payable semiannually on June 1 and December 1, commencing on June 1, 2026. Annual principal payments are due on December 1 of each year beginning December 1, 2028, with a final maturity of December 1, 2047.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2019A-1 Bonds (Continued)

On and after the conversion to current interest bonds, to the extent principal of the 2019A-1 Bonds is not paid when due, such principal shall remain outstanding until paid or until the 2019A-1 Termination Date of December 2, 2047, whichever occurs first, and to the extent interest on any 2019A-1 Bonds is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the rate borne by the bond until paid or until the 2019A-1 Termination Date, whichever occurs first.

In the event that any amount of principal of or interest on the 2019A-1 Bonds remains unpaid after the application of all 2019A-1 Pledged Revenue available therefor on the 2019A-1 Termination Date, the 2019A-1 Bonds shall be deemed to be paid, satisfied, and discharged.

Outstanding bond principal and interest on the Series 2019A-1 bonds mature as follows (at full accretion):

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ -	\$ -
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025-2029	305,000	14,834,100	15,139,100
2030-2034	5,690,000	18,049,200	23,739,200
2035-2039	14,400,000	15,197,100	29,597,100
2040-2044	21,225,000	10,067,100	31,292,100
2045-2048	20,225,000	2,683,200	22,908,200
Total	<u>\$ 61,845,000</u>	<u>\$ 60,830,700</u>	<u>\$ 122,675,700</u>

2019A-2 Senior Bonds

Proceeds from the sale of the 2019A-2 Senior Bonds were used to: (i) reimburse ACM High Point VI, LLC (ACM) for the costs of public improvements; (ii) finance additional public improvements; (iii) fund the 2019A-2 Senior Reserve Fund; and (iv) pay other costs in connection with the issuance of the 2019A-2 Senior Bonds and the 2019B-2 Subordinate Bonds.

The 2019A-2 Senior Bonds were issued as accretion bonds, convertible to current interest bonds on December 1, 2024. Prior to conversion to current interest bonds, the 2019A-2 Senior Bonds do not pay current interest and accrete in value at an annual yield equal to 6.25%. The accreted amount compounds semiannually on each June 1 and December 1, beginning June 1, 2019, to and including December 1, 2024. Such accreted amount, together with the original principal amount of the 2019A-2 Senior Bonds, bears interest at the interest rate borne by the 2019A-2 Senior Bonds upon conversion to current interest bonds.

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2019A-2 Senior Bonds (Continued)

The 2019A-2 Senior Bonds are payable from: (i) the ad valorem property tax revenues generated in the District and Colorado International Center Metropolitan District No. 5 (District No. 5), (ii) specific ownership tax revenues in the District and District No. 5, (iii) PIF revenues generated in the District and District No. 5, (iv) PILOT revenues generated in the District and District No. 5, and (v) any other legally available monies the District and/or District No. 5 determine, in their sole discretion, to credit to the 2019A-2 Senior Bonds (see Note 8 – Agreements).

The accreted principal balance at conversion on December 1, 2024, will be \$30,145,000. The 2019A-2 Senior Bonds will accrete, compound, and bear interest at a rate of 6.25%. Upon conversion to current interest bonds, interest is payable semiannually on June 1 and December 1, commencing on June 1, 2025. Annual principal payments are due on December 1 of each year beginning December 1, 2026, with a final maturity of December 1, 2048.

On and after the conversion to current interest bonds, to the extent principal of the 2019A-2 Senior Bonds is not paid when due, such principal shall remain outstanding until paid and to the extent interest on any 2019A-2 Senior Bonds is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the rate borne by the bond until paid.

Outstanding bond principal and interest on the Series 2019A-2 Senior Bonds mature as follows (at full accretion):

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ -	\$ -
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025-2029	1,660,000	9,292,189	10,952,189
2030-2034	3,555,000	8,498,752	12,053,752
2035-2039	5,490,000	7,160,939	12,650,939
2040-2044	8,190,000	5,129,376	13,319,376
2045-2048	11,250,000	2,010,619	13,260,619
Total	<u>\$ 30,145,000</u>	<u>\$ 32,091,875</u>	<u>\$ 62,236,875</u>

2019B-2 Subordinate Bonds

The proceeds from the sale of the 2019B-2 Subordinate Bonds were used to: (i) finance additional public improvements; and (ii) pay certain costs of issuance in connection with the 2019B-2 Subordinate Bonds or reimburse Westside for the costs of public improvements.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2019B-2 Subordinate Bonds (Continued)

The 2019B-2 Subordinate Bonds were issued at the rate of 8.75% per annum and are payable annually on December 15, beginning on December 15, 2019, but only to the extent of available 2019B-2 Subordinate Pledged Revenue. The 2019B-2 Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest.

The 2019B-2 Subordinate Bonds are payable as subordinate obligations under the 2019A-2 Senior Bonds and from the same revenues when those revenues are available for such purpose after the debt service on the 2019A-2 Senior Bonds has been fully paid and the 2019A-2 Senior Bonds are no longer outstanding.

No payments are permitted to be made on the 2019B-2 Subordinate Bonds until (a) the 2019A-2 Reserve Fund is filled to the amount of the 2019A-2 Required Reserve; (b) the 2019A-2 Senior Surplus Fund reaches the 2019A-2 Maximum Surplus Amount; and (c) annual debt service on the 2019A-2 Senior Bonds and any other obligations issued on parity therewith have been paid in full in any year.

To the extent principal of any 2019B-2 Subordinate Bond is not paid when due, such principal shall remain outstanding until the Termination Date of December 16, 2058, and shall continue to bear interest at the rate then borne by the bond. To the extent interest on any 2019B-2 Subordinate Bond is not paid when due, such interest shall compound annually on each interest payment date, at the rate then borne by the bond.

The Series 2019B-2 Bonds are cash flow bonds. Debt service on these bonds will be made if and when eligible pledged revenues are available. Therefore, these bonds are not included in the above schedule.

Developer Advances

On January 25, 2005, the Management District, Colorado International Center, LLC (CIC), and the District entered into the 2005 Operation Funding Agreement. Under this agreement, CIC agreed to advance funds to the District for its required payments to the Management District pursuant to a District Facilities Agreement. Interest on such advanced funds is to accrue at a rate of 8% per annum. The District is obligated to repay the amounts owed to the extent there are funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. This agreement is effective through December 31, 2045, unless terminated earlier by mutual agreement. From 2005 through 2006, the District received advances in the amount of \$4,911 from CIC. In April 2018, CIC and Almond Palm LLC (AP), a related entity of the Developer, entered into an agreement whereby CIC assigned its reimbursement rights in the 2005 Operation Funding Agreement to AP. At December 31, 2019, the outstanding amount due to AP was \$10,398, which includes \$5,487 of accrued interest.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

ACM and the Aurora High Point Districts entered into the Operations Funding and Reimbursement Agreement (Aurora High Point-Westside) on July 20, 2017 for the purposes of acknowledging all prior advances made by LNR to the Districts, as assigned to ACM, and to provide for ACM's advancement of funds to the District for future operations costs of the District up to \$1,000,000 for the fiscal years 2017 through 2020. The payment obligation to pay ACM constitutes a multiple-fiscal year obligation of the District. Simple interest shall accrue on each developer advance, including the prior advances, at a rate of 8%. The District intends to repay from certain revenues including ad valorem taxes and fees. Any mill levy certified by the District for the purpose of repaying advances made shall not exceed the mill levy limitation in the Service Plan, and in any event, shall not exceed 50 mills. The term of this Agreement is in effect until the earlier of the repayment of the obligation or December 1, 2047. During 2019, \$2,316 was repaid of this agreement. At December 31, 2019, the outstanding amount due to ACM was \$30,066, which includes \$14,913 of accrued interest.

ACM and the Management District entered into the Capital Funding and Reimbursement Agreement (Aurora High Point-Westside) on July 20, 2017 (as amended on April 10, 2018 and October 8, 2018) for the purposes of acknowledging all prior advances made by LNR to the Aurora High Point Districts, as assigned to ACM, and to provide for ACM's advancement of funds to the District for future capital costs of the District up to \$10,000,000 for the fiscal years 2017 through 2020. The payment obligation to pay ACM constitutes a multiple-fiscal year obligation of the District. Simple interest shall accrue on each developer advance, including the prior advances, at a rate of 8%. The District intends to repay from certain revenues including ad valorem taxes and fees. Any mill levy certified by the District for the purpose of repaying advances made shall not exceed the mill levy limitation in the Service Plan, and in any event, shall not exceed 50 mills. The term of this Agreement is in effect until the earlier of the repayment of the obligation or December 1, 2047. No advances have been made under this agreement.

The District entered into the Infrastructure Acquisition and Reimbursement Agreement with Aurora Convention Center Hotel, LLC (ACCH) on December 18, 2015. Under this Agreement, ACCH advanced funds for off-site infrastructure acquisition on behalf of the District in the amount of \$4,614,753. No interest accrues on this advance. (See Note 8). During 2019, an additional \$340,433 was advanced under this agreement. The entire balance was repaid during 2019.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 2, 2004 and on May 3, 2016, the District's electors authorized the incurrence of general obligation debt totaling \$10,820,000,000 in principal at a rate not to exceed 18%. At December 31, 2019, the District has authorized but unissued indebtedness for the following purposes:

	Authorized November 2, 2004 Election	Authorized May 3, 2016 Election	Authorization Used - Series 2015A Bonds	Authorization Used - Series 2015B Bonds	Authorization Used - Series 2019A-1 Bonds	Authorization Used - Series 2019A-2 Bonds	Authorization Used - Series 2019A-2 Bonds	Remaining at December 31, 2019
Streets	\$ 400,000,000	\$ 400,000,000	\$ 10,218,849	\$ 729,403	\$ 9,959,997	\$ 13,598,643	\$ 2,545,537	\$ 762,947,571
Water Supply System	400,000,000	400,000,000	5,109,425	364,701	4,979,998	181,315	33,941	789,330,620
Storm and Sanitary Sewer	400,000,000	400,000,000	5,109,424	364,702	4,979,998	1,770,490	331,419	787,443,967
Parks and Recreation	400,000,000	400,000,000	-	-	-	5,780,757	1,082,103	793,137,140
Mosquito Control	400,000,000	400,000,000	-	-	-	-	-	800,000,000
Fire Protection	400,000,000	400,000,000	-	-	-	-	-	800,000,000
Television Relay/Translation	400,000,000	400,000,000	-	-	-	-	-	800,000,000
Public Transportation	400,000,000	400,000,000	-	-	-	-	-	800,000,000
Traffic and Safety Controls	400,000,000	400,000,000	-	-	-	-	-	800,000,000
Debt Refunding	400,000,000	400,000,000	-	-	-	-	-	800,000,000
Operations and Maintenance	20,000,000	400,000,000	-	-	-	-	-	420,000,000
Intergovernmental Agreements	400,000,000	400,000,000	-	-	-	-	-	800,000,000
Private Agreements	-	400,000,000	-	-	-	-	-	400,000,000
Special Assessments	-	400,000,000	-	-	-	-	-	400,000,000
Security	-	400,000,000	-	-	-	-	-	400,000,000
Multiple Fiscal Year Contracts	400,000,000	-	-	-	-	-	-	400,000,000
Total	<u>\$ 4,820,000,000</u>	<u>\$ 6,000,000,000</u>	<u>\$ 20,437,698</u>	<u>\$ 1,458,806</u>	<u>\$ 19,919,993</u>	<u>\$ 21,331,205</u>	<u>\$ 3,993,000</u>	<u>\$ 10,752,859,298</u>

The District's Service Plan limits total debt issuance for the Aurora High Point Districts to \$400,000,000. The Service Plan also imposes a maximum debt mill levy which, until the debt to assessed value ratio is 50% or less, cannot exceed 50 mills as adjusted for any change in the method of calculating assessed valuation by the State on or after January 1, 2004. Once the debt to assessed value ratio is 50% or less, the District is not subject to a maximum debt mill levy. On any single property developed for residential uses, the District shall not impose a debt mill levy past 40 years after the year of the initial imposition of a debt service mill levy.

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.

NOTE 6 NET POSITION

The District has net position consisting of one component – unrestricted.

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 the calculation of net investment in capital assets and the restricted components of net position.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 NET POSITION (CONTINUED)

The District has a deficit in unrestricted net position. The deficit is a result of accrued unpaid interest on the District's long-term debt, issue costs attributable to the District's Series 2019 bonds, and funds for construction of public improvements have been transferred to the Management District.

NOTE 7 RELATED PARTIES

The former developers of the District were Colorado International Center, LLC (CIC) (2005-2006) and LNR CPI High Point, LLC (LNR) (2007-2017). Currently, the property within the District is owned by and is being developed by ACM High Point VI LLC, a Delaware limited liability corporation (ACM), which acquired the property from LNR in July 2017. During 2019, a majority of the members of the Board of Directors were officers of, employees of, or associated with ACM.

CIC, LNR, and ACM have all advanced funds to the District under various agreements. ACM is also the owner of the 2019A-2 Senior Bonds and 2019B-2 Subordinate Bonds (see Note 5).

NOTE 8 AGREEMENTS

Facilities Funding, Construction and Operations Agreement (FFCOA)

On January 21, 2005 (as amended on July 27, 2006), the Management District entered into a Facilities Funding, Construction and Operations Agreement (FFCOA) with the Taxing Districts. The Management District will own, operate, maintain, finance, and construct facilities benefiting all of the Aurora High Point Districts. The facilities will be financed from either (i) the general obligation indebtedness to be issued by the Taxing Districts and/or the pledge of ad valorem tax revenues from the Taxing Districts; or (ii) the proceeds of revenue bonds issued by the Management District, Facilities Fees, and other revenue (including Developer Advances).

GID Pledge Agreement

On October 27, 2011, the District entered into a GID Pledge Agreement (as amended on April 17, 2019, and June 24, 2019) with the Aurora Conference Center General Improvement District (Aurora GID), a municipal general improvement district and taxing entity of the City. The Aurora GID comprises certain property that is within the Aurora Conference Center Urban Renewal Area (URA), plus property within the District which is not within the URA. The Aurora GID is authorized to levy an ad valorem property tax (GID tax levy) to finance the construction of offsite public improvements that will service a public conference center in the area. The Aurora GID will submit payment to the District of the collected property taxes and that portion of the specific ownership taxes attributable to the GID tax levy (less that portion of the GID tax levy collected from properties solely within the URA). The GID tax levy will be levied commencing in 2013 (for collection in 2014) and continuing each year thereafter until the earlier of (a) 2046 (for collection in 2047) or (b) all infrastructure bonds have been fully repaid. Payments received under this agreement by the District are pledged for payment on the District's 2019A-1 Bonds.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 AGREEMENTS (CONTINUED)

Capital Pledge Agreement

On April 18, 2019, the District entered in the Capital Pledge Agreement with District No. 5 and the trustee for the 2019A-2 Senior Bonds and 2019B-2 Subordinate Bonds. The Capital Pledge Agreement provides that, in exchange for the purchase of the applicable 2019A-2 Senior Bonds and 2019B-2 Subordinate Bonds, which were to be applied to the provision of public improvements, District No. 5 agrees to pay such portion of the debt service costs of the 2019A-2 Senior Bonds and the 2019B-2 Subordinate Bonds as may be funded with certain pledged revenue of District No. 5. The Capital pledge Agreement limits the ability of District No. 5 to issue additional debt obligations and obligates District No. 5 to take certain actions with respect to generating revenues for the benefit of the 2019A-2 Senior and 2019B-2 Subordinate bondholders.

Infrastructure Acquisition and Reimbursement Agreement

On December 18, 2015, the District entered into an Infrastructure Acquisition and Reimbursement Agreement (Infrastructure Agreement) (as amended on April 18, 2019) with Aurora Convention Center Hotel, LLC (ACCH), a Delaware Limited Liability Company. ACCH was the owner of approximately 44% of the District's Taxable Revenue Bonds – Series 2015A and 100% of the District's Taxable Revenue Bonds – Series 2015B. The Series 2015 Bonds were issued for the purpose of paying District Eligible Costs to construct the Off-Site Infrastructure defined in the Infrastructure Agreement. The proceeds of the Series 2015 Bonds are solely used to fund the District Eligible Costs. ACCH agrees to design, construct, and complete the Off-Site Infrastructure. No more frequently than once per month, ACCH will submit a draw request to the District for payment of District Eligible Costs. Upon certification by the District's accountant and engineer, the Trustee will release funds to ACCH. It is the intent of the District to acquire any Off-Site Infrastructure improvements that are not dedicated to another governmental entity.

On April 18, 2019, this Agreement was amended to acknowledge the issuance of the 2019 Bonds and to increase the amount of Eligible Costs by \$5.2 million (to an aggregate total of \$26.2 million). During 2018, amounts paid by ACCH in excess of the original Eligible Costs amount of \$21 million were recorded as non-interest bearing developer advances, which were repaid with the issuance of the District's Series 2019 Bonds. (See Note 5).

PIF Covenants

Pursuant to separate Declaration of Covenants Imposing and Implementing a Public Improvement Fee recorded by LNR on December 30, 2015, and by ACM on April 17, 2019, retail and lodging sales within the District and District No. 5 are subject to a one-half percent (0.5%) public improvement fee (PIF). The PIF revenue is pledged to the payment of the District's 2019 Bonds.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 AGREEMENTS (CONTINUED)

ACM PILOT Covenant

On April 17, 2019, ACM recorded a Declaration of Payment in Lieu of Taxes (ACM PILOT Covenant) for the benefit of the District. The ACM PILOT Covenant imposes against property owned by ACM at the time the ACM PILOT Covenant was recorded and which is subsequently sold to a tax-exempt entity within the boundaries of the GID, the District, or District No. 5, a payment obligation equal to the amount that would otherwise be produced by an ad valorem mill levy imposed by the GID, the District, or District No. 5. The revenue generated by the ACM PILOT Covenant is pledged to the repayment of the District's 2019 Bonds.

RIDA PILOT Covenant

On April 17, 2019, RIDA High Point Land. LLC (RIDA) recorded a Declaration of Payment in Lieu of Taxes (RIDA PILOT Covenant) for the benefit of the District. The RIDA PILOT Covenant imposes against any property sold to a tax-exempt entity within the GID area a payment obligation equal to the amount that would otherwise be produced by the GID's ad valorem mill levy. The revenue generated by the RIDA PILOT Covenant is pledged to the repayment of the District's 2019 Bonds.

Intergovernmental Agreement with the City of Aurora

The District and the City are parties to an intergovernmental agreement (City IGA) dated February 4, 2005, pursuant to the requirements of the Service Plan. Under the City IGA, the District covenants to dedicate all 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 agreement states that the District is not authorized to operate and maintain improvements, other than park and recreation improvements, unless otherwise agreed to by the City. The District is required to impose a mill levy for Aurora regional improvements (the ARI Mill Levy). The ARI Mill Levy is defined in the Service Plan as (i) for the first 20 years, one mill; (ii) for the next 20 years, five mills; and (iii) for the next 10 years, a mill levy equal to the average debt service mill levy imposed by the District in the 10 years prior to the date of repayment of the debt it issued to construct non-regional improvements. The ARI Mill Levy is not pledged to the payment of the Series 2015 Bonds. The District does not currently impose this mill levy because the District does not impose a debt service mill levy.

ARTA Agreement

In 2006, the District, along with other metropolitan districts within Aurora, entered into the Aurora Regional Transportation Authority (ARTA) Establishment Agreement. This Agreement was amended on August 14, 2007, February 20, 2008, July 21, 2008, June 11, 2009, June 6, 2013, and June 6, 2019, to add additional metropolitan district members. ARTA will plan, design, acquire, construct, relocate, redevelop, and finance regional improvements within the boundaries of the metropolitan districts which are a party to the Agreement using the revenue from the ARI Mill Levy of each of the districts. In accordance with the Agreement, the City has been offered the right to appoint no less than 30% and no more than 49% of the ARTA Board, but as of December 31, 2019, had not exercised this right.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 AGREEMENTS (CONTINUED)

Denver High Point IGA

On April 12, 2018, the Management District entered into a Cost Sharing and Reimbursement Agreement (the Denver High Point IGA) with Denver High Point at DIA Metropolitan District (DHP). DHP functions as the management district for the Denver High Point Districts and is responsible for coordinating and managing the financing, acquisition, construction, completion, and operation and maintenance of all public infrastructure and services within the portion of High Point in Denver.

Construction of certain regional improvements funded by the Management District and DHP benefitted property owners and taxpayers in both the Aurora and Denver portions of High Point; however, the parties have determined that such costs should be re-distributed based on an engineer's recommendation of benefit provided and, as a result, the parties entered into the Denver High Point IGA to, among other things, re-allocate such costs between the two districts (assigning 56.18% of such costs to DHP and 43.83% the Management District). Accordingly, pursuant to the Denver High Point IGA, both the Management District and DHP acknowledge that the Management District is entitled to be reimbursed by DHP in the amount of \$10,021,145.20 for various capital expenditures the Management District previously made and which the Board of Directors of DHP has determined conferred a benefit to one or more of the Denver High Point Districts. DHP has received an engineer's certification to verify the allocated amount owed to the Management District for the improvements constructed. The Management District was reimbursed in the amount of \$10,021,145.20 by DHP from proceeds of the Colorado International Center No. 14 Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018, which closed on April 12, 2018.

On May 7, 2018, the Denver High Point IGA was amended to include the District as a party to the Denver High Point IGA; to recognize certain improvements that the District constructed as Regional Facilities under the Denver High Point IGA; to reallocate costs associated with the construction of such improvements as part of the total reallocation under the Denver High Point IGA; and to recognize that the Management District is entitled to an additional reimbursement to further reconcile DHP's proportionate share of the re-allocated costs. Accordingly, the reimbursement amount was reallocated and increased from \$10,021,145.20 to \$22,399,716.68.

NOTE 9 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.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 RISK MANAGEMENT (CONTINUED)

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

NOTE 10 TAX, SPENDING AND DEBT LIMITATIONS

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

On November 2, 2004 and on May 3, 2016, a majority of the District's electors authorized the District to collect and spend or retain taxes of up to \$20,000,000 annually for operations and maintenance and any revenues from any other sources without regard to any limitations imposed by TABOR beginning in 2005. Additionally, the District electors authorized the District to collect, retain, and spend all revenue without regard to limitation under TABOR in 2005 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

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
GID Revenue	\$ 300	\$ 400	\$ 138,447	\$ 138,047
PIF Revenue	125,000	-	-	-
Investment Income	-	-	89,874	89,874
Other Income	-	3,248,295	-	(3,248,295)
Total Revenues	<u>125,300</u>	<u>3,248,695</u>	<u>228,321</u>	<u>(3,020,374)</u>
EXPENDITURES				
Current:				
Trustee Fees	5,000	5,000	-	5,000
Bond Interest - 2015A	-	1,702,689	1,714,220	(11,531)
Bond Interest - 2015B	111,911	122,872	124,600	(1,728)
Bond Principal - 2015A	-	20,447,698	20,437,698	10,000
Bond Principal - 2015B	-	1,458,806	1,458,806	-
Bond Issue Costs	-	1,516,408	1,367,332	149,076
Contingency	-	5,372,398	-	5,372,398
Total Expenditures	<u>116,911</u>	<u>30,625,871</u>	<u>25,102,656</u>	<u>5,523,215</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	8,389	(27,377,176)	(24,874,335)	2,502,841
OTHER FINANCING SOURCES (USES)				
Bond Issuance - Series 2019A-1	-	41,802,891	41,816,497	13,606
Transfer from Other Fund	-	2,132,397	-	(2,132,397)
Transfer to Other Fund	-	(12,374,129)	(10,393,296)	1,980,833
Total Other Financing Sources	<u>-</u>	<u>31,561,159</u>	<u>31,423,201</u>	<u>(137,958)</u>
NET CHANGE IN FUND BALANCE	8,389	4,183,983	6,548,866	2,364,883
Fund Balance (Deficit) - Beginning of Year	<u>(8,389)</u>	<u>(3,694)</u>	<u>(8,260)</u>	<u>(4,566)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 4,180,289</u>	<u>\$ 6,540,606</u>	<u>\$ 2,360,317</u>

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ -	\$ -	\$ 329,714	\$ 329,714
Total Revenues	-	-	329,714	329,714
EXPENDITURES				
Capital Projects:				
Intergovernmental Expenditures - Aurora High Point MD	-	-	7,413,989	(7,413,989)
Accounting	500	500	-	500
Legal	1,000	1,000	-	1,000
Bond Issue Costs	-	551,429	863,967	(312,538)
Construction Administration	12,000	12,000	-	12,000
Capital Outlay	4,000,000	5,500,000	1,121,470	4,378,530
Contingency	-	302,674	-	302,674
Total Expenditures	4,013,500	6,367,603	9,399,426	(3,031,823)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(4,013,500)	(6,367,603)	(9,069,712)	(2,702,109)
OTHER FINANCING USES				
Developer Advance	4,011,532	5,000,000	340,433	(4,659,567)
Bond Issuance - Series 2019A-2	-	21,323,970	21,331,205	7,235
Bond Issuance - Series 2019B-2	-	4,165,000	3,993,000	(172,000)
Transfers from Other Fund	-	12,374,129	10,393,296	(1,980,833)
Developer Advance Interest	-	-	(463)	(463)
Repay Developer Advance	-	(17,500,000)	(4,957,039)	12,542,961
Transfers to Other Fund	-	(2,132,397)	-	2,132,397
Total Other Financing Uses	4,011,532	23,230,702	31,100,432	7,869,730
NET CHANGE IN FUND BALANCE				
	(1,968)	16,863,099	22,030,720	5,167,621
Fund Balance - Beginning of Year	1,968	455,409	725,042	269,633
FUND BALANCE - END OF YEAR				
	\$ -	\$ 17,318,508	\$ 22,755,762	\$ 5,437,254

OTHER INFORMATION

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 4
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2019

Bonds and Interest Maturing in the Year Ending December 31,	\$41,816,496.75 Limited Tax General Obligation and Special Revenue Refunding and Improvement Convertible Capital Appreciation Bonds Series 2019A-1 Dated April 18, 2019 Interest at 6.000% Payable June 1 and December 1 Principal Due December 1			\$21,331,204.90 Limited Tax General Obligation and Special Revenue Convertible Capital Appreciation Bonds Series 2019A-2 Dated April 18, 2019 Interest at 6.250% Payable June 1 and December 1 Principal Due December 1			Totals		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	1,884,063	1,884,063	-	1,884,063	1,884,063
2026	-	3,710,700	3,710,700	245,000	1,884,063	2,129,063	245,000	5,594,763	5,839,763
2027	-	3,710,700	3,710,700	415,000	1,868,750	2,283,750	415,000	5,579,450	5,994,450
2028	145,000	3,710,700	3,855,700	485,000	1,842,813	2,327,813	630,000	5,553,513	6,183,513
2029	160,000	3,702,000	3,862,000	515,000	1,812,500	2,327,500	675,000	5,514,500	6,189,500
2030	230,000	3,692,400	3,922,400	590,000	1,780,313	2,370,313	820,000	5,472,713	6,292,713
2031	510,000	3,678,600	4,188,600	630,000	1,743,438	2,373,438	1,140,000	5,422,038	6,562,038
2032	1,410,000	3,648,000	5,058,000	715,000	1,704,063	2,419,063	2,125,000	5,352,063	7,477,063
2033	1,610,000	3,563,400	5,173,400	765,000	1,659,375	2,424,375	2,375,000	5,222,775	7,597,775
2034	1,930,000	3,466,800	5,396,800	855,000	1,611,563	2,466,563	2,785,000	5,078,363	7,863,363
2035	2,185,000	3,351,000	5,536,000	915,000	1,558,125	2,473,125	3,100,000	4,909,125	8,009,125
2036	2,740,000	3,219,900	5,959,900	1,015,000	1,500,938	2,515,938	3,755,000	4,720,838	8,475,838
2037	2,910,000	3,055,500	5,965,500	1,085,000	1,437,500	2,522,500	3,995,000	4,493,000	8,488,000
2038	3,185,000	2,880,900	6,065,900	1,200,000	1,369,688	2,569,688	4,385,000	4,250,588	8,635,588
2039	3,380,000	2,689,800	6,069,800	1,275,000	1,294,688	2,569,688	4,655,000	3,984,488	8,639,488
2040	3,685,000	2,487,000	6,172,000	1,405,000	1,215,000	2,620,000	5,090,000	3,702,000	8,792,000
2041	3,910,000	2,265,900	6,175,900	1,495,000	1,127,188	2,622,188	5,405,000	3,393,088	8,798,088
2042	4,245,000	2,031,300	6,276,300	1,640,000	1,033,750	2,673,750	5,885,000	3,065,050	8,950,050
2043	4,505,000	1,776,600	6,281,600	1,745,000	931,250	2,676,250	6,250,000	2,707,850	8,957,850
2044	4,880,000	1,506,300	6,386,300	1,905,000	822,188	2,727,188	6,785,000	2,328,488	9,113,488
2045	5,180,000	1,213,500	6,393,500	2,025,000	703,125	2,728,125	7,205,000	1,916,625	9,121,625
2046	5,595,000	902,700	6,497,700	2,205,000	576,563	2,781,563	7,800,000	1,479,263	9,279,263
2047	9,450,000	567,000	10,017,000	2,345,000	438,750	2,783,750	11,795,000	1,005,750	12,800,750
2048	-	-	-	4,675,000	292,181	4,967,181	4,675,000	292,181	4,967,181
Totals	\$ 61,845,000	\$ 60,830,700	\$ 122,675,700	\$ 30,145,000	\$ 32,091,875	\$ 62,236,875	\$ 91,990,000	\$ 92,922,575	\$ 184,912,575