



**COMMERCE CITY  
ADAMS COUNTY, COLORADO**



## **ANNUAL FINANCIAL STATEMENTS**

**December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Aberdeen Metropolitan District No. 2

Adams County, CO

### Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Aberdeen Metropolitan District No. 2 (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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of District, as of December 31, 2023, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

### **Other Matters**

#### Required Supplementary Information

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

#### Supplementary Information

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

#### Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Castle Pines, Colorado  
August 13, 2024

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**December 31, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 360,688
Cash and investments – restricted	644,875
Accounts receivable	3,818
Specific ownership taxes receivable	437
Property taxes receivable	136,300
Prepaid expenses	9,350
Land and water rights	17,400
Depreciable capital assets, net	469,314
<b>Total Assets</b>	<b>1,642,182</b>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	16,237
Prepaid maintenance fees	262,564
Accrued interest payable	-
Current portion of general obligation refunding bonds	-
General obligation refunding bonds	5,414,438
<b>Total Liabilities</b>	<b>5,693,239</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue	136,300
<b>NET POSITION (DEFICIT)</b>	
Restricted:	
Emergency reserves	8,800
Debt service	583,945
Capital projects	48,197
Non-spendable	9,350
Unassigned:	(4,837,649)
<b>Net Position (Deficit)</b>	<b>\$ (4,187,357)</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**For the 12-Month Period Ended**  
**December 31, 2023**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Government Activities:</b>					
General government activities	\$ (209,457)	\$ 161,973	\$ 138	\$ -	\$ (47,346)
Interest and related costs on long-term debt	(314,099)	5,180	-	-	(308,919)
Capital project activities	(25,207)	-	-	-	(25,207)
	<b>\$ (548,763)</b>	<b>\$ 167,153</b>	<b>\$ 138</b>	<b>\$ -</b>	<b>(381,472)</b>
<b>General Revenues</b>					
Property taxes					77,071
Specific ownership taxes					5,286
Net investment income					43,186
<b>Total general revenue</b>					<b>125,543</b>
Change in net position					(255,929)
<b>Net Position (Deficit) – Beginning of Year</b>					<b>(3,931,428)</b>
<b>Net Position (Deficit) – End of Year</b>					<b>\$ (4,187,357)</b>

These financial statements should be read only in connection with the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**December 31, 2023**

	General Fund	Debt Service Fund	Capital Project Fund	Total Government Funds
<b>ASSETS</b>				
Cash and investments	\$ 360,688	\$ -	\$ -	\$ 360,688
Cash and investments - Restricted	8,800	587,878	48,197	644,875
Accounts receivable	3,818	-	-	3,818
Specific ownership tax receivable	370	67	-	437
Property taxes receivable	116,400	19,900	-	136,300
Prepaid expenses	9,350	-	-	9,350
<b>TOTAL ASSETS</b>	<b>\$ 499,426</b>	<b>\$ 607,845</b>	<b>\$ 48,197</b>	<b>\$ 1,155,468</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 12,237	\$ 4,000	\$ -	\$ 16,237
Prepaid maintenance fees	262,564	-	-	262,564
Maintenance fee credits	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>274,801</b>	<b>4,000</b>	<b>-</b>	<b>278,801</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax revenue	116,400	19,900	-	136,300
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>391,201</b>	<b>23,900</b>	<b>-</b>	<b>415,101</b>
<b>FUND BALANCES</b>				
Restricted:				
Emergencies (TABOR)	8,800	-	-	8,800
Debt service	-	583,945	-	583,945
Capital projects	-	-	48,197	48,197
Non-spendable	9,350	-	-	9,350
Unrestricted	90,075	-	-	90,075
<b>TOTAL FUND BALANCES</b>	<b>108,225</b>	<b>583,945</b>	<b>48,197</b>	<b>740,367</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 499,426</b>	<b>\$ 607,845</b>	<b>\$ 48,197</b>	

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

Other long-term assets are not available or otherwise cannot be converted to cash to pay for current expenditures and, therefore, are recorded as expenditures in the funds	17,400
Land and water rights	17,400
Property, structures and equipment, net	469,314
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
General obligation refunding bonds	(5,414,438)
Accrued interest payable	-
<b>Net position of governmental activities</b>	<b>\$ (4,187,357)</b>

These financial statements should be read only in connection with the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**12-Month Period Ended**  
**December 31, 2023**

	General Fund	Debt Service Fund	Capital Project Fund	Total Government Funds
<b>REVENUES</b>				
Property taxes	\$ 65,202	\$ 11,869	\$ -	\$ 77,071
Specific ownership taxes	4,472	814	-	5,286
Maintenance fees	161,973	-	-	161,973
Reimb expenses - collection costs	-	-	-	-
Net investment income	14,630	27,901	655	43,186
Facility fees	-	180	-	180
Other income	138	5,000	-	5,138
<b>Total Revenues</b>	<b>246,415</b>	<b>45,764</b>	<b>655</b>	<b>292,834</b>
<b>EXPENDITURES</b>				
General and administration	18,802	-	-	18,802
Landscaping maintenance	89,145	-	-	89,145
Pool maintenance and operation	25,079	-	-	25,079
Other district expenses	76,431	-	-	76,431
Debt service				
Direct and indirect collection costs	-	19,178	-	19,178
Bond interest expense	-	-	-	-
Bond principal	-	-	-	-
Major capital projects	-	-	5,522	5,522
<b>Total Expenditures</b>	<b>209,457</b>	<b>19,178</b>	<b>5,522</b>	<b>234,157</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>36,958</b>	<b>26,586</b>	<b>(4,867)</b>	<b>58,677</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Fund Transfers In / (Out)	(31,600)	-	31,600	-
<b>Total Other Financing Sources (Uses)</b>	<b>(31,600)</b>	<b>-</b>	<b>31,600</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>5,358</b>	<b>26,586</b>	<b>26,733</b>	<b>58,677</b>
<b>FIND BALANCES – BEGINNING</b>	<b>102,867</b>	<b>557,359</b>	<b>21,464</b>	<b>681,690</b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ 108,225</b>	<b>\$ 583,945</b>	<b>\$ 48,197</b>	<b>\$ 740,367</b>

These financial statements should be read only in connection with the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
12-Month Period Ended  
December 31, 2023**

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

Net change in fund balances – Total government funds	\$	58,677
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Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the net capital outlay activity for the year:

Construction of public infrastructure		5,522
Depreciation expense on property, structures and equipment		(25,207)

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.

Increase in accrued interest payable on Series 2021 bonds		(294,921)
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<b>Changes in net position of governmental activities</b>	<b>\$</b>	<b>(255,929)</b>
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These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Property taxes	\$ 65,200	\$ 65,202	\$ 2
Specific ownership taxes	4,900	4,472	(428)
Maintenance fees	152,568	161,973	9,405
Reimbursements for legal and collection costs	-	-	-
Net investment income	132	14,630	14,498
Other income	200	138	(62)
<b>Total Revenues</b>	<b>223,000</b>	<b>246,415</b>	<b>23,415</b>
<b>EXPENDITURES</b>			
General and administration	27,200	18,802	8,398
Landscaping maintenance	78,400	89,145	(10,745)
Pool maintenance and operation	42,400	25,079	17,321
Other district expenses	95,000	76,431	18,569
<b>Total Expenditures</b>	<b>243,000</b>	<b>209,457</b>	<b>33,543</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(20,000)</b>	<b>36,958</b>	<b>56,958</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out) - Capital Project Fund	(31,600)	(31,600)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(31,600)</b>	<b>(31,600)</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES</b>	<b>(51,600)</b>	<b>5,358</b>	<b>56,958</b>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<b>99,600</b>	<b>102,867</b>	<b>3,267</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$ 48,000</b>	<b>\$ 108,225</b>	<b>\$ 60,225</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**EXPENDITURE DETAILS - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>GENERAL AND ADMINISTRATION</b>			
District management and accounting fees	\$ 17,000	\$ 17,004	\$ (4)
Board election expenses	-	61	(61)
Administrative costs	3,600	1,864	1,736
Audit fees	7,200	7,150	50
Collection fees – County Treasurer	1,100	979	121
Board of Directors’ fees	3,000	3,800	(800)
Board training and conferences	3,000	-	3,000
Insurance	4,300	3,730	570
Legal fees	2,000	-	2,000
Indirect Cost Allocation	(15,000)	(15,000)	-
Contingency	1,000	(786)	1,786
<b>Total General and Administration</b>	<b><u>\$ 27,200</u></b>	<b><u>\$ 18,802</u></b>	<b><u>\$ 8,398</u></b>
<b>LANDSCAPING MAINTENANCE</b>			
Ground maintenance fees	22,000	17,920	4,080
Tree maintenance & replacement	4,000	4,526	(526)
Sprinkler repairs	8,100	13,949	(5,849)
Sprinklers – water	22,500	19,267	3,233
Sprinklers – electricity	2,700	2,169	531
Detention pond maintenance	-	12,677	(12,677)
Grounds improvements	10,000	4,560	5,440
Monument sign maintenance	1,000	-	1,000
Sidewalk & parking lot maintenance	-	1,573	(1,573)
Insurance property	5,100	5,184	(84)
Backflow maintenance	-	3,877	(3,877)
Miscellaneous landscape costs	3,000	3,443	(443)
<b>Total Landscaping Maintenance</b>	<b><u>\$ 78,400</u></b>	<b><u>\$ 89,145</u></b>	<b><u>\$ (10,745)</u></b>
<b>CLUBHOUSE / POOL MAINTENANCE</b>			
Pool maintenance	10,000	7,839	2,161
Pool repairs	9,500	3,566	5,934
Utilities (water)	-	1,219	(1,219)
Utilities (gas/electric)	-	6,006	(6,006)
Pool chemicals	3,000	2,055	945
Clubhouse maintenance	17,400	3,610	13,790
Clubhouse internet service	1,000	718	282
Pool furniture maintenance	-	-	-
Pool gate keys	1,500	66	1,434
<b>Total Pool Maintenance and Operation</b>	<b><u>\$ 42,400</u></b>	<b><u>\$ 25,079</u></b>	<b><u>\$ 17,321</u></b>
<b>OTHER DISTRICT EXPENSES</b>			
Snow removal	19,500	10,635	8,865
Water utility service - district residents	52,500	65,657	(13,157)
Condo structure maintenance and repairs	22,000	-	22,000
Newsletter publication costs	-	50	(50)
Covenant enforcement costs	-	60	(60)
Parking enforcement - signs & notices	-	29	(29)
Vandalism	1,000	-	1,000
<b>Total Other District Expenses</b>	<b><u>\$ 95,000</u></b>	<b><u>\$ 76,431</u></b>	<b><u>\$ 18,569</u></b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

ABERDEEN METROPOLITAN DISTRICT NO. 2  
**NOTES TO FINANCIAL STATEMENTS**  
12-Month Period Ended December 31, 2023

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Aberdeen Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 21, 2003, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under service plan approved by Commerce City (City) on September 15, 2003. The District's service area comprises 74 condo units and approximately 16.75 acres of undeveloped land located in Adams County, Colorado entirely within the boundaries of the City. According to its Service Plan, the District has the authority to (1) design, construct, acquire, install, relocate, operate and maintain various facilities including streets, traffic and safety controls, water systems, sanitation systems, parks and recreational facilities, transportation facilities, television relay and translation systems and mosquito control facilities and equipment and (2) provide additional services and exercise powers that are expressly or impliedly granted by Colorado law, and which the District is required to provide or exercise, or in its discretion, may choose to provide or exercise.

An additional approximate 183 acres of land – all currently undeveloped – was excluded from the District in 2022 and 2023 but remains subject to paying the District's debt mill levy until the District's existing debt is repaid in full or otherwise defeased. Approximately 20 acres of such land is also subject to paying an annual fee to the District under a PILOT Agreement. (See Note 10)

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the District are 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 activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

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

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

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

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. 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 Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation 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.

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unassigned resources as they are needed.

### **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 funds for the ensuing year. The appropriation is at the total fund expenditures 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.

Actual expenditures in the debt service fund exceeded budgeted amounts. This may be a violation of State law.

## **Pooled Cash and Investments**

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

Investments are carried at net asset value.

## **Property Taxes**

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

## **Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. In 2023, the District's share of Specific ownership taxes was equal to approximately 6.8% of the property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

## **Maintenance Fees**

On December 09, 2020, the District adopted a Maintenance Fee Resolution, pursuant to 32-1-1001(1)(j) CRS, which imposes monthly Maintenance Fees upon all real property within the District (Maintenance Fee Resolution). Maintenance Fees imposed on each lot is secured by a perpetual lien. Maintenance Fees are used to fund the District's park and recreation facilities and landscaping, water supply and other services provided to residents. The annual Maintenance Fee assessed on undeveloped Lots and homeowner-occupied Lots is \$57 and \$175, respectively. A lot is no longer considered an "undeveloped lot" when (1) a certificate of occupancy has been issued by the City on the lot and (2) the lot is sold by the Builder to a third-party buyer.

As of December 31, 2023, all 74 condos have been constructed and sold to homeowners and none of the remaining vacant land within the District is currently platted for development.

## **Reimbursable Costs**

Legal fees and other costs incurred by the District related to any services provided to specific properties within the District are charged back to the respective property owners. The District presents reimbursable costs on a net basis. Factors considered by the District in determining whether to present reimbursable cost chargeback revenue on a gross or net basis include whether risks exist that the District will be unable to recover such costs from property owners. Pursuant to 32-1-1001(1)(j)(I) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien, which has priority over all other encumbrances on a property.

## **Facility Fees**

On March 05, 2007, the District adopted a resolution, pursuant to 32-1-1001(1)(j)(I) CRS, imposing Facilities Fees upon all real property within the District (Facility Fee Resolution). Specifically, a one-time Facility Fee is payable to the District by the owner of each platted lot that is developed within the District. The Facility Fee imposed on each lot is secured by a perpetual lien. The Facility Fee is \$2,000 per single-family home lot, \$1,000 per multi-family home lot and \$0.50 per square foot for non-residential construction. The Facility Fee is payable to the District upon issuance of a building permit by the City.

All revenue earned from the collection of Facility Fees is Pledged Revenue that is to be deposited into the District's Bond Fund.

## **Collection Costs**

Collection costs incurred by the District related to the collection of property taxes includes all costs incurred by the District that enable and support the District's ability to collect property taxes revenue. Generally, such costs include (a) operating and reporting compliance costs that protect the District's right to collect property taxes (e.g. financial statement audit fees, fees paid to professionals to prepare mandatory periodic financial and operational reports to the City and State, etc), (b) professional fees related to applying and monitoring accounting controls over the collection of District revenues, (c) costs related to managing the District's annual property tax assessment process and (d) insurance protecting the District from liability exposure that potentially could arise from performing these activities.

Per the Series 2023 Bond Indenture of Trust Agreement, the District allocates a fixed annual amount of \$15,000 of indirect collection costs to its debt fund. Direct collection costs such as county treasurer collection fees are proportionally allocated to each fund on the basis of each property tax revenue allocable to each fund proportion to total property tax revenue assessed by the District.

## **Water and Sewer Expenditures**

74 condo units located within 11 separate building are not individually metered for water use. In addition, one sewer line services each building. Water and sewer services are provided to these 74 units by the South Adams County Water and Sanitation District (SACWSD). Because the 74 condo units share water meters and sewer lines, the District has assumed the responsibility for ensuring the shared portions of the water lines and sewer lines are properly maintained and services are timely paid to SACWSD.

## **Deferred Outflows of Resources and Deferred Inflows of Resources**

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net

position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2023 are comprised of property taxes due from Adams County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

## Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

When purchased or constructed, the District classifies newly acquired property, equipment and structures by functional area. The depreciable lives assigned to each functional area is as follows: Clubhouse (50 years), pool structure and fencing (40 years), pool equipment (7 years), pool furniture (4 years), basketball court (40 years) and monument signage (20 years). The estimated depreciable lives assigned to each asset class are based on the assumption that such assets are reasonably and regularly maintained and used for their intended purpose.

## 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 should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, 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:

- **Non-spendable fund balance** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.
- **Restricted fund balance** – The portion of a 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 a 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 a 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 a 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 policy to use the most restrictive classification first.

### NOTE 3 – CASH AND INVESTMENTS

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

Statement of net position:	
Cash and investments – unrestricted	\$ 360,688
Cash and investments – restricted	644,875
<b>Total cash and investments</b>	<b>\$ 1,005,563</b>

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

Deposits with financial institutions	\$ 99,395
Investments	906,168
<b>Total cash and investments</b>	<b>\$ 1,005,563</b>

#### Deposits with Financial Institutions

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

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

At December 31, 2023, the District's cash held at financial institutions had a bank balance of \$103,891 and a carrying balance of \$99,395.

#### Investments

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

The District generally limits its concentration of investments to those listed 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 disclosure requirements or subject to 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. Revenue

bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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 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 purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2023, the District’s investments were comprised of the following:

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 906,168

**CSAFE**

The District holds investments in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. CSAFE measures its investments at amortized cost, which value is not materially different (less than 0.005% difference) than the fair value measurement of such investments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption period notice. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. No limitations exist on the District’s ability to withdraw funds invested in CSAFE. CSAFE is rated AAAM by Standard & Poor's.

## NOTE 4 – PROPERTY, STRUCTURES AND EQUIPMENT

Acquisitions and dispositions of District property, structures and equipment are as follows:

	<u>Balance at 12/31/22</u>	<u>Purchases</u>	<u>Disposals</u>	<u>Balance at 12/31/23</u>	<u>Accumulated Depreciation</u>
Clubhouse	\$ 409,081	\$ -	\$ -	\$ 409,081	\$ 130,902
Pool structure and fencing	223,087	-	-	223,087	93,484
Pool equipment	18,880	-	-	18,880	5,870
Pool furniture	5,000	-	-	5,000	5,000
Basketball court	50,000	-	-	50,000	20,000
Monument signage	65,000	-	-	65,000	52,000
Park equipment	-	5,522	-	5,522	-
	<u>\$ 771,048</u>	<u>\$ 5,522</u>	<u>\$ -</u>	<u>\$ 776,570</u>	<u>\$ 307,256</u>

## NOTE 5 – LAND AND NON-DEPRECIABLE ASSETS

On June 16, 2006, the District acquired from the Developer a 0.74 land tract located within the District boundaries. Specifically, the District owns and maintains Tract B as designated on the Aberdeen Subdivision Filing No. 1 plat filed with the Adams County Clerk & Recorder's Office. The land is recorded by the District at a nominal value of \$7,400. The District also owns water rights and one tap used to irrigate the landscaping on these tracts of land. The District's water rights and taps are recorded at \$10,000, which is the estimated fair value of these assets when they were acquired from the Association.

## NOTE 6 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2023:

	<u>Balance at Dec. 31, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at Dec. 31, 2023</u>	<u>Due within one year</u>
Series 2021 G.O. Bonds	\$ 5,120,036	\$ 294,402	\$ -	\$ 5,414,438	-
Accrued Interest – Series 2021 G.O. Bonds	-	294,402	( 294,402)	-	-
<b>Total</b>	<b>\$ 5,120,036</b>	<b>\$ 588,804</b>	<b>(\$ 294,402)</b>	<b>\$ 5,414,438</b>	<b>\$ -</b>

Details regarding the District's long-term obligations are as follows:

### Series 2021 General Obligation Limited Tax Convertible Capital Appreciation Refunding Bonds

On December 6, 2021, the District issued General Obligation Limited Tax Convertible Capital Appreciation Refunding Bonds, Series 2021 in the amount of \$4,832,617 (2021 Bonds). The 2021 Bonds bear compounding interest at the rate of 5.75% per annum, and are payable semi-annually on June 1 and December 1, beginning on June 01, 2026, with principal payable per the mandatory sinking fund payment schedule over 30 years with a final maturity on December 1, 2051 (Maturity Date).

The Senior Bonds are secured by and payable solely from Pledged Revenue, net of any costs of collection, which is comprised of the following:

- a) all Property Tax Revenues (generated by the imposition of the Required Mill Levy);
- b) all Specific Ownership Taxes (attributable to the Required Mill Levy); and
- c) any other legally available amounts that the District determines to pledge to the Series 2023 Bonds.

The Required Mill Levy is defined as the mill levy necessary to generate sufficient property tax revenue during the year to fully pay the annual principal and interest payment due on the Series 2023 Bonds. The Required Mill Levy cannot exceed 9.000 mills, as adjusted for changes made by the State of Colorado in the ratio of taxable valuation to assessed valuation of real property since December 09, 2022. As of December 09, 2022, the ratio was 7.15%. The ratio for 2023 was 6.95%, which caused the District’s Required Mill Levy for debt service for 2023 to be 9.259.. Any remaining balance due on the Series 2023 Bonds after the Maturity Date shall be deemed to be paid, satisfied, and discharged on December 2, 2061 (the “Termination Date”), regardless of the amount of principal and interest paid prior to the Termination Date.

The Series 2023 Bonds may be redeemed at the option of the District prior to maturity beginning December 01, 2026 subject to payment of a redemption premium equal to between 1% and 3% of principal redeemed. Beginning December 01, 2029, the Bonds may be redeemed at the option of the District without any redemption premium.

Outstanding bond principal and interest on the Bonds mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ -	\$ -
2025	-	-	-
2026	-	348,163	348,163
2027	-	348,163	348,163
2028	35,000	348,163	383,163
2029 to 2033	500,000	1,680,151	2,180,151
2034 to 2038	800,000	1,502,762	2,302,762
2039 to 2043	1,180,000	1,231,362	2,411,362
2044 to 2048	1,715,000	834,900	2,549,900
2049 to 2051	1,825,000	241,213	2,066,213
<b>Total</b>	<b><u>\$ 6,055,000</u></b>	<b><u>\$ 6,354,877</u></b>	<b><u>\$12,589,877</u></b>

### Events of Default – Series 2021 Bonds

The following events are considered events of default under the bond indenture of trust: (1) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture of Trust, (2) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof is provided to the District by the Trustee, Bond Insurer or Bond Owners or (3) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds. Failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default. Available remedies for an Event of Default are (1) placing the district in receivership, (2) Trustee initiating a lawsuit against the District and (3) compelling the District to cure the default via mandamus or any other suit, action, or proceeding at law or in equity. Acceleration of the repayment of the Bonds is not an available remedy for an Event of Default.

## **Debt Authorization**

### **Service Plan**

The District's service plan limits the District's debt service to a maximum mill levy of 50.000 mills, provided, however, that in the event the method of calculating the assessed valuation is changed after the date of the approved service plan (2003), the mill levy limitation applicable to such debt may be increased or decreased to reflect such changes. As of January 1, 2003, the ratio was 7.96%. The ratio for 2023 was 6.95%, which caused the District's Maximum Mill Levy for debt service for 2023 to be 57.266.

### **TABOR**

On November 04, 2003, the District's electorate authorized the issuance of indebtedness in an amount not to exceed \$17,200,000 for infrastructure improvements and operations and maintenance at a net effective interest rate not to exceed 18% and \$17,000,000 for refunding the District's debt or other obligations. Per C.R.S 32-1-1101(2), all remaining, unused debt issuance authorization obtained from the District's electors expired on November 02, 2023 - 20 years after the original debt authorization election.

## **NOTE 7 – NET POSITION (DEFICIT)**

### **Restricted Net Position**

The District's restricted net position as of December 31, 2023 in the general fund, debt service fund and capital projects fund totaled \$8,800, \$583,945 and \$48,197, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 13 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2021 Bonds. The restricted net position within the capital project fund is comprised of funds restricted for funding the construction and major repairs of public infrastructure.

### **Non-Spendable Net Position**

The District's non-spendable net position as of December 31, 2023 in the general fund, debt service fund and capital project fund totaled \$9,350, \$0, and \$0, respectively. These balances were created due to the District prepaying certain 2024 expenses in 2023.

### **Unassigned Net Position**

The District's unassigned net position as of December 31, 2023 totaled (\$4,851,522). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to the City of Commerce City, South Adams County Water & Sanitation District and the District.

## **NOTE 9 – AGREEMENTS WITH BONNYVIEW AT ABERDEEN HOMEOWNERS ASSOCIATION, INC (ASSOCIATION)**

### **Covenant Enforcement and Architectural Review Services**

On March 20, 2019, the District entered into a one-year agreement with the Association to provide covenant enforcement and architectural review services for a 12-month period beginning January 01, 2019. The cost of providing such services will be funded from revenues generated by the District. This agreement automatically

renews on January 1st of each calendar year unless cancelled by either party no less than 30 days prior to the renewal date.

### **Use and Maintenance Agreement**

On March 20, 2019, the District entered into a one-year agreement with the Association to use, operate, maintain and improve the Association's common areas and public right-of-way landscaping (as depicted on the Aberdeen Subdivision Filing No 1 plat map filed with the Adams County Clerk and Recorder's Office on March 22, 2005). Such services will be provided by the District at its own expense. This agreement automatically renews on January 1st of each calendar year unless cancelled by either party no less than 30 days prior to the renewal date.

### **Water Supply Service Agreement**

On March 20, 2019, the District entered into a one-year agreement with the Association to provide water services to the condominium units within the Association's boundaries. Such services will be provided by the District at its own expense. This agreement automatically renews on January 1st of each calendar year unless cancelled by either party no less than 30 days prior to the renewal date.

### **NOTE 10 – PILOT AGREEMENT**

On November 07, 2023, the District granted PT Aberdeen, LLC's petition to exclude approximately 20.7 acres from the District conditional upon PT Aberdeen, LLC executing an agreement for payments in lieu of taxes ("PILOT Agreement") with the District. In accordance with 32-1-503(1) CRS, the 20.7 acres of excluded land shall still be obligated to the same extent as all other property within the District with respect to and shall be subject to the levy of taxes for the payment of that proportion of the outstanding indebtedness of the District and interest thereon existing as of November 07, 2023.

Per the PILOT Agreement, the owners of the 20.7 acres of land excluded from the District are subject to paying an "Annual Operations Fee" to the District. The Annual Operations Fee is calculated as equal to 19 mills multiplied by the County Assessor's most recent certified final assessed valuation of the 20.7 acres. The mill levy shall be adjusted for changes made by the State of Colorado to the ratio of taxable valuation to assessed valuation of real property since November 07, 2023. As of November 07, 2023, the ratio was 6.80%. The Annual Operations Fee is due and payable to the District each year by April 1<sup>st</sup>. Until paid, the Annual Operations Fee constitutes a perpetual lien of the District against the excluded property as set forth in Section 32-1-1001(1)(j), C.R.S.;

The District agreed not to assess any fees of any kind on the excluded property other than the Annual Operations Fee. In the event the 20.7 acres is further subdivided and/or portions of the 20.7 acres are owned by multiple owners, the Annual Operations Fee shall be allocated across the entirety of the 20.7 acres on a pro-rata basis, based on the percentage of the Property owned by each owner or based on the percentage of the 20.7 acres in each subdivided lot, or based on the assessed valuation of each subdivided lot. The PILOT Agreement may only be terminated upon mutual agreement of the District and the owners of the 20.7 acres of property.

### **NOTE 11 – RELATED PARTIES**

For the 12-month period ended December 31, 2023, none of the directors serving on the District's board reported any conflicts of interest arising from their public service on the District's board.

## **NOTE 12 – RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

## **NOTE 13 – TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution—referred to as the Taxpayer's 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.

On November 06, 2018, District voters authorized the District to assess property taxes at no more than \$4,500,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

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

**SUPPLEMENTARY INFORMATION**

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Property taxes	\$ 11,900	\$ 11,869	\$ (31)
Specific ownership taxes	900	814	(86)
Net investment income	3,000	27,901	24,901
Covenant violation fine income	-	180	180
Facility fees	8,000	5,000	(3,000)
<b>Total Revenues</b>	<u>23,800</u>	<u>45,764</u>	<u>21,964</u>
<b>EXPENDITURES</b>			
Direct and indirect collection costs	17,200	19,178	(1,978)
Debt service	-	-	-
Repay Series 2021 Bonds - interest	-	-	-
Repay Series 2021 Bonds - principal	-	-	-
<b>Total Expenditures</b>	<u>17,200</u>	<u>19,178</u>	<u>(1,978)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,600</u>	<u>26,586</u>	<u>19,986</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>6,600</u>	<u>26,586</u>	<u>19,986</u>
<b>FUND BALANCE – BEGINNING</b>	<u>516,200</u>	<u>557,359</u>	<u>41,159</u>
<b>FUND BALANCE – END OF YEAR</b>	<u>\$ 522,800</u>	<u>\$ 583,945</u>	<u>\$ 61,145</u>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**COLLECTION COST DETAILS - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>DIRECT AND INDIRECT COLLECTION COSTS</b>			
Collection fees – County Treasurer	\$ 200	\$ 178	\$ 22
Indirect Collection Cost Allocation	15,000	15,000	-
Legal fees	-	-	-
Bond trustee fees	2,000	4,000	(2,000)
Miscellaneous	-	-	-
<b>Total Direct and Indirect Collection Costs</b>	<b><u>\$ 17,200</u></b>	<b><u>\$ 19,178</u></b>	<b><u>\$ (1,978)</u></b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL**  
**12-Month Period Ended**  
**December 31, 2023**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Net investment income	\$ -	\$ 655	\$ 655
Other income	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>655</u>	<u>655</u>
<b>EXPENDITURES</b>			
Capital projects			
Major capital projects	53,000	5,522	47,478
<b>Total Expenditures</b>	<u>53,000</u>	<u>5,522</u>	<u>47,478</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(53,000)</u>	<u>(4,867)</u>	<u>48,133</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out) - General Fund	31,600	31,600	-
<b>Total Other Financing Sources (Uses)</b>	<u>31,600</u>	<u>31,600</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES</b>	<u>(21,400)</u>	<u>26,733</u>	<u>(48,133)</u>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<u>21,500</u>	<u>21,464</u>	<u>(36)</u>
<b>FUND BALANCE – END OF YEAR</b>	<u>\$ 100</u>	<u>\$ 48,197</u>	<u>\$ (48,097)</u>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

ABERDEEN METROPOLITAN DISTRICT NO. 2  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
 December 31, 2023

The District's repayment schedule for its Series 2021 Bonds is as follows:

Year Ended December 31,	Principal Payments	Interest Payments	Annual Payments
2024	\$ -	\$ -	\$ -
2025	-	-	-
2026	-	348,163	348,163
2027	-	348,163	348,163
2028	35,000	348,163	383,163
2029	70,000	346,150	416,150
2030	95,000	342,125	437,125
2031	100,000	336,663	436,663
2032	115,000	330,913	445,913
2033	120,000	324,300	444,300
2034	135,000	317,400	452,400
2035	145,000	309,638	454,637
2036	160,000	301,300	461,300
2037	170,000	292,100	462,100
2038	190,000	282,325	472,325
2039	200,000	271,400	471,400
2040	220,000	259,900	479,900
2041	235,000	247,250	482,250
2042	255,000	233,738	488,737
2043	270,000	219,075	489,075
2044	295,000	203,550	498,550
2045	315,000	186,588	501,587
2046	345,000	168,475	513,475
2047	365,000	148,638	513,638
2048	395,000	127,650	522,650
2049	415,000	104,938	519,938
2050	450,000	81,075	531,075
2051	960,000	55,200	11,015,200
	<b>\$ 6,055,000</b>	<b>\$ 6,534,875</b>	<b>\$ 12,589,877</b>

The original face value of these bonds totaled \$4,827,161. Interest is payable each year on June 1<sup>st</sup> and December 1<sup>st</sup>, and principal payments are due each year on December 1<sup>st</sup>. The Series 2023 Bonds may be redeemed at the option of the District prior to maturity beginning December 01, 2026 subject to payment of a redemption premium equal to between 1% and 3% of principal redeemed. Beginning December 01, 2029, the Bonds may be redeemed at the option of the District without any redemption premium.

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**SUMMARY OF ASSESSED VALUATION,**  
**MILL LEVY AND PROPERTY TAXES COLLECTED**  
 December 31, 2023

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2018	\$ 901,150	49.000	50.000	\$ 89,214	\$ 89,214	100.0%
2019	904,210	208.580	50.000	233,800	233,811	100.0%
2020	1,049,750	49.000	50.000	103,900	103,925	100.0%
2021	1,048,700	49.000	50.000	103,800	103,673	99.9%
2023	1,316,700	49.000	9.000	76,300	76,366	100.1%
2023	1,319,180	50.865	9.259	79,300	77,071	97.1%
2024	2,076,670	56.409	9.604	136,300	[TBD]	[TBD]

**NOTE A:** Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

## **OTHER SUPPLEMENTARY INFORMATION**

**ABERDEEN METROPOLITAN DISTRICT NO. 2**  
**CHANGE IN TOTAL OVERLAPPING MILL LEVY**  
 December 31, 2023

	2022 Mill Levy *	2023 Mill Levy **	Change
Aberdeen Metropolitan District No. 2	60.124	66.013	5.889
Brighton School District No. 27J	56.290	56.290	0.000
Commerce City North Infrastructure District	14.000	8.000	(6.000)
Adams County	26.967	26.835	(0.132)
Fire District 4 South Adams	14.750	14.750	0.000
Rangeview Library District	3.615	3.653	0.038
City of Commerce City	3.110	2.550	(0.560)
South Adams County Water & Sanitation District	2.424	1.966	(0.458)
Central Colorado Water Conservation District	1.068	1.300	0.232
Central Colorado Water Conservation Subdistrict	1.582	0.891	(0.691)
Urban Drainage and Flood Control	0.900	0.900	0.000
Urban Drainage and Flood Control – South Platte	0.100	0.100	0.000
<b>Total Mill Levy</b>	<b>184.930</b>	<b>183.248</b>	<b>(1.682)</b>

\* -- For property tax collections in 2023

\*\* -- For property tax collections in 2024

ABERDEEN METROPOLITAN DISTRICT NO. 2

**HISTORICAL DEBT RATIOS**

December 31, 2023

	2019	2020	2021	2023	2023
General Obligation Bonds	\$ 2,090,000	\$2,090,000	\$4,832,617	\$4,832,617	\$4,832,617
Accrued, unpaid interest - Bonds	\$ 1,442,056	\$1,680,089	\$ 9,025	\$ 286,900	\$ 581,821
Restricted cash	-	-	(\$ 497,326)	(\$ 557,289)	(\$ 587,878)
Combined assessed property values within the District	\$ 1,049,750	\$1,048,700	\$1,316,700	\$1,282,600	\$2,076,570
Ratio of net debt to assessed property values	336.5%	359.5%	329.9%	345.8%	132.4%