

**COLORADO SCIENCE AND TECHNOLOGY PARK
METROPOLITAN DISTRICT NO. 1
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023

INDEPENDENT AUDITOR’S REPORT	I
MANAGEMENT’S DISCUSSION AND ANALYSIS	IV
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 (DEFICITS) – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – 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 (DEFICIT) – BUDGET AND ACTUAL	27



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Independent Auditor's Report

Board of Directors
Colorado Science and Technology
Park Metropolitan District No. 1
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Colorado Science and Technology Park Metropolitan District No. 1 (District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Colorado Science and Technology Park Metropolitan District No. 1, as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management

about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 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 supplementary information as listed in the table of contents is 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 included in the annual report. The other information is comprised of the continuing disclosure of annual financial information as listed in the table of contents but 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 any form of 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.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
September 3, 2024

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Our discussion and analysis of Colorado Science and Technology Park Metropolitan District No. 1's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the District's basic financial statements beginning on page 1.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements detail functions of the District that are principally supported by tax revenues (governmental activities).

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District reports governmental funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, reconciliation schedules are included in the governmental funds statements explaining the relationship (or difference) between them.

The governmental fund financial statements can be found on pages 4 through 6 of this report.

The District adopted an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund is located on page 6 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7-24 of this report.

Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information consisting of the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Debt Service Fund and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – Capital Projects Fund, which can be found on page 26 and page 27, respectively.

Financial Analysis of the District as a Whole

NET POSITION

	<u>12/31/2023</u>	<u>12/31/2022</u>
ASSETS		
Current Assets	\$ 8,455,179	\$ 10,841,181
Capital Assets	8,439,706	6,198,997
Total Assets	<u>16,894,885</u>	<u>17,040,178</u>
 LIABILITIES		
Current Liabilities	2,385,943	2,338,032
Long-Term Liabilities	43,402,711	43,736,074
Total Liabilities	<u>45,788,654</u>	<u>46,074,106</u>
 DEFERRED INFLOWS OF RESOURCES	<u>3,202,005</u>	<u>2,970,004</u>
 NET POSITION		
Net Investment in Capital Assets	(676,675)	(523,754)
Restricted	2,932,372	3,235,183
Unrestricted	(34,351,471)	(34,715,361)
Total Net Position	<u>\$ (32,095,774)</u>	<u>\$ (32,003,932)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets by \$32,095,774 at the close of the most recent fiscal year.

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

From 2022 to 2023, the District's current assets decreased by \$2,386,002 primarily due to public infrastructure spending, and long-term liabilities decreased by \$333,363 due to payments on the general obligation bonds and subordinate loan.

CHANGES IN NET POSITION

	12/31/2023	12/31/2022
REVENUES		
Program Revenues:		
Operating Grants and Contributions	\$ 271,273	\$ 167,451
Capital Grants and Contributions	3,068,182	2,793,213
General Revenues:		
Property Taxes	4	5
Specific Ownership Taxes	9	9
Interest Income	283,735	144,153
Developer Credit	-	452,100
Total Revenues	3,623,203	3,556,931
EXPENSES		
General Government	713,575	978,487
Interest and Related Costs on Long-Term Debt	3,001,470	2,264,101
Total Expenses	3,715,045	3,242,588
CHANGE IN NET POSITION	(91,842)	314,343
Net Position - Beginning of Year	(32,003,932)	(32,318,275)
NET POSITION - END OF YEAR	\$ (32,095,774)	\$ (32,003,932)

The District's overall financial position, as measured by the change in net position, decreased \$91,842 from 2022 to 2023.

Financial Analysis of the District's Funds

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's governmental funds follows.

Governmental funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$4,348,982. \$5,211,543 is restricted, meaning it is not available for new spending, because it has already been committed for emergencies under Taxpayers' Bill of Rights (TABOR), capital projects and debt service. The fund balance also includes \$8,556 that was nonspendable (prepaid expense) and (\$871,117) unrestricted deficit amount.

General Fund Budgetary Highlights

Budget Variances. The budget to actual comparison details for the General Fund can be seen on page 6 of the financial statements.

Capital Assets

The activity related to capital assets during 2023 is as follows:

	2022	Net Change	2023
Construction in Progress	\$ 2,460,828	\$ 2,586,423	\$ 5,047,251
Streets	1,284,495	(160,562)	1,123,933
Streetlighting	1,339,771	(167,471)	1,172,300
Underground Drainage Structure	1,113,903	(17,681)	1,096,222
Total Capital Assets	<u>\$ 6,198,997</u>	<u>\$ 2,240,709</u>	<u>\$ 8,439,706</u>

Net capital assets increased \$2,240,709 in 2023 primarily due to public infrastructure spending. The District is not responsible for the maintenance of those assets. Total depreciation expense for the year was \$345,714. Additional information on the District's capital assets can be found in Note 4.

Debt Administration

Long-Term Obligations: At the end of the current fiscal year, the District had total outstanding general obligation bonds, loans and Developer advances of \$44,772,111. The analysis of changes in long-term obligations is as follows:

	2022	Net Change	2023
Government Activities:			
General Obligation Bonds	\$ 27,986,218	\$ (980,116)	\$ 27,006,102
Subordinate Loan/Developer Advances	16,719,856	1,046,753	17,766,609
Total	<u>\$ 44,706,074</u>	<u>\$ 66,637</u>	<u>\$ 44,772,711</u>

On December 28, 2018, the District issued Special Revenue Refunding and Improvement Bonds, Series 2018 ("Bonds") to refund the outstanding principal amount of the Series 2015 Loan, to pay Project Costs, fund the Reserve Fund and to pay costs in connection with the issuance. The Bonds were refunded in April 2024. (Note 12)

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

On July 31, 2019, the District, District No. 2, District No. 3, and FRA entered into the Subordinate Loan Agreement. The Subordinate Loan was a revolving line of credit, such that the principal would be increased as advances are made. In 2023, there was a net increase of \$1,046,753 resulting from accrued interest and payments on interest. The Subordinate Loan was fully repaid in April 2024. Additional information on the District's long-term obligations can be found in Note 5 and Note 12 of this report.

Economic Factors and Next Year's Budgets

For 2024, the District has budgeted \$51,551,956 in total revenue, of which, \$422,178 is in the General Fund, \$46,629,778 is in the Debt Service Fund, and \$4,500,000 is in the Capital Projects Fund. The District has budgeted \$56,145,697 in total expenditures, of which, \$388,000 is in the General Fund, \$51,187,700 is in the Debt Service Fund for principal and interest payments on District debt, and \$4,569,997 is in the Capital Projects Fund for public infrastructure spending.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Colorado Science and Technology Park Metropolitan District No. 1 c/o CliftonLarsonAllen LLP 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111.

BASIC FINANCIAL STATEMENTS

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments	\$ 15,128
Cash and Investments - Restricted	5,076,343
Receivable from County Treasurer	1
Due from Colorado Science and Technology Park Metropolitan District Nos. 2 and 3	4,960
Due from Aurora URA	148,186
Prepaid Expenses	8,556
Incremental Property Taxes Receivable	3,202,000
Property Taxes Receivable	5
Capital Assets, Being Depreciated	3,392,455
Capital Assets, Not Being Depreciated	5,047,251
Total Assets	16,894,885
LIABILITIES	
Accounts Payable	476,119
Other Liability	409,378
Due to Aurora ARTA	18,695
Accrued Interest Payable	111,751
Noncurrent Liabilities:	
Due within One Year	1,370,000
Due in More Than One Year	43,402,711
Total Liabilities	45,788,654
DEFERRED INFLOWS OF RESOURCES	
Deferred Incremental Property Taxes Revenue	3,202,000
Deferred Property Taxes	5
Total Deferred Inflows of Resources	3,202,005
NET POSITION	
Net Investment in Capital Assets	(676,675)
Restricted for:	
Emergency Reserves	8,200
Debt Service	2,924,172
Unrestricted	(34,351,471)
Total Net Position	\$ (32,095,774)

See accompanying Notes to Basic Financial Statements.

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
Expenses				Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General Government	\$ 713,575	\$ 271,273	-	\$ (442,302)
Interest and Related Costs on Long-Term Debt	3,001,470	-	3,068,182	66,712
Total Governmental Activities	\$ 3,715,045	\$ 271,273	\$ 3,068,182	(375,590)
GENERAL REVENUES				
Property Taxes				4
Specific Ownership Taxes				9
Interest Income				283,735
Total General Revenues				283,748
CHANGE IN NET POSITION				(91,842)
Net Position - Beginning of Year				(32,003,932)
NET POSITION - END OF YEAR				\$ (32,095,774)

See accompanying Notes to Basic Financial Statements.

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 15,128	\$ -	\$ -	\$ 15,128
Cash and Investments - Restricted	8,200	5,062,237	5,906	5,076,343
Due from Colorado Science and Technology Park Metropolitan District No. 2 and 3	1,074	3,886	-	4,960
Due from Aurora URA	10,967	137,219	-	148,186
Prepaid Expenses	8,556	-	-	8,556
Receivable from County Treasurer	-	1	-	1
Incremental Property Taxes Receivable	270,000	2,932,000	-	3,202,000
Property Taxes Receivable	1	4	-	5
	<u>\$ 313,926</u>	<u>\$ 8,135,347</u>	<u>\$ 5,906</u>	<u>\$ 8,455,179</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 91,732	\$ -	\$ 384,387	\$ 476,119
Due to ARTA	18,695	-	-	18,695
Other Liability	-	-	409,378	409,378
Total Liabilities	<u>110,427</u>	<u>-</u>	<u>793,765</u>	<u>904,192</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Incremental Property Taxes Revenue	270,000	2,932,000	-	3,202,000
Deferred Property Taxes	1	4	-	5
Total Deferred Inflows of Resources	<u>270,001</u>	<u>2,932,004</u>	<u>-</u>	<u>3,202,005</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Expenses	8,556	-	-	8,556
Restricted:				
Emergency Reserves	8,200	-	-	8,200
Debt Service	-	5,203,343	-	5,203,343
Unrestricted:				
General Government	(83,258)	-	(787,859)	(871,117)
Total Fund Balances (Deficits)	<u>(66,502)</u>	<u>5,203,343</u>	<u>(787,859)</u>	<u>4,348,982</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 313,926</u>	<u>\$ 8,135,347</u>	<u>\$ 5,906</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Capital Assets, Net				8,439,706
Long-term liabilities, including bonds, loans and Developer Advances, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.				
Bonds Payable - Series 2018				(26,895,000)
Bonds Premium (Net of Amortization)				(111,102)
Accrued Interest Payable - Bonds				(111,751)
Subordinate Loan - FRA				(15,757,875)
Accrued Interest Payable - Subordinate Loan				(1,885,151)
Developer Advance Payable - Operations				(115,329)
Accrued Interest Payable - Developer Advance - Operations				(8,254)
Net Position of Governmental Activities				<u>\$ (32,095,774)</u>

See accompanying Notes to Basic Financial Statements.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1	\$ 3	\$ -	\$ 4
Specific Ownership Taxes	1	8	-	9
Incremental Sales and Use Taxes - AURA	-	174,174	-	174,174
Incremental Property Taxes - AURA	252,486	2,826,047	-	3,078,533
Interest Income	-	252,607	31,128	283,735
Transfers from Colorado Science and Technology Park Metropolitan District No. 2	18,784	67,946	-	86,730
Transfers from Colorado Science and Technology Park Metropolitan District No. 3	3	15	-	18
Total Revenues	<u>271,275</u>	<u>3,320,800</u>	<u>31,128</u>	<u>3,623,203</u>
EXPENDITURES				
General, Administrative, and Operating:				
Accounting	65,760	-	-	65,760
Audit	4,700	-	-	4,700
District Management	68,021	-	-	68,021
Election Expense	8,386	-	-	8,386
Insurance	8,447	-	-	8,447
Legal	73,368	-	-	73,368
Miscellaneous	1,316	-	-	1,316
Maintenance	20,608	-	-	20,608
Debt Service:				
Bond issue costs	117,255	-	-	117,255
Interest - Series 2018 Bonds	-	1,383,450	-	1,383,450
Principal - Series 2018 Bonds	-	970,000	-	970,000
Interest - 2019 Subordinate Loan	-	878,129	-	878,129
Paying Agent Fees	-	3,500	-	3,500
Capital Projects:				
Developer-Paid Costs	-	-	74,709	74,709
23rd Avenue/BS-5 Offsite Infrastructure	-	-	2,470,581	2,470,581
Project Management	-	-	41,133	41,133
Total Expenditures	<u>367,861</u>	<u>3,235,079</u>	<u>2,586,423</u>	<u>6,189,363</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(96,586)	85,721	(2,555,295)	(2,566,160)
OTHER FINANCING SOURCES (USES)				
Developer Advances	107,000	-	189,709	296,709
Transfers (to) from Other Funds	(47,000)	23	46,977	-
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>23</u>	<u>236,686</u>	<u>296,709</u>
NET CHANGE IN FUND BALANCES	(36,586)	85,744	(2,318,609)	(2,269,451)
Fund Balances (Deficits) - Beginning of Year	<u>(29,916)</u>	<u>5,117,599</u>	<u>1,530,750</u>	<u>6,618,433</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (66,502)</u>	<u>\$ 5,203,343</u>	<u>\$ (787,859)</u>	<u>\$ 4,348,982</u>

See accompanying Notes to Basic Financial Statements.

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS) OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Governmental Funds \$ (2,269,451)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation/amortization expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay - Current Year	2,586,423
Depreciation Expense	(345,714)

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

Developer Advances - Current Year	(296,709)
Series 2018 Bonds - Principal Reduction	970,000

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 Subordinate Loan - Change in Liability	(742,729)
Accrued Interest on Developer Advance (Operations) - Change in Liability	(7,315)
Amortization on Bond Premium	10,116
Accrued Interest on Bonds - Change in Liability	3,537
	3,537

Change in Net Position of Governmental Activities	<u><u>\$ (91,842)</u></u>
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**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1	\$ 1	\$ 1	\$ -
Specific Ownership Taxes	1	1	1	-
Incremental Property Taxes - AURA	170,000	270,000	252,486	(17,514)
Transfers from Colorado Science and Technology Park Metropolitan District No. 2	19,106	19,220	18,784	(436)
Transfers from Colorado Science and Technology Park Metropolitan District No. 3	3	3	3	-
Total Revenues	<u>189,111</u>	<u>289,225</u>	<u>271,275</u>	<u>(17,950)</u>
EXPENDITURES				
Accounting	58,000	66,000	65,760	240
Audit	4,800	4,800	4,700	100
District Management	42,000	83,000	68,021	14,979
Election Expense	15,000	9,000	8,386	614
Insurance	9,000	9,000	8,447	553
Legal	50,000	75,000	73,368	1,632
Miscellaneous	5,700	23,200	1,316	21,884
Maintenance	30,500	25,000	20,608	4,392
Bond issue costs	-	120,000	117,255	2,745
Total Expenditures	<u>215,000</u>	<u>415,000</u>	<u>367,861</u>	<u>47,139</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(25,889)	(125,775)	(96,586)	29,189
OTHER FINANCING SOURCES (USES)				
Developer Advances	26,689	211,391	107,000	(104,391)
Transfers to Other Fund	-	(47,000)	(47,000)	-
Total Other Financing Sources (Uses)	<u>26,689</u>	<u>164,391</u>	<u>60,000</u>	<u>(104,391)</u>
NET CHANGE IN FUND BALANCE	800	38,616	(36,586)	(75,202)
Fund Balance - Beginning of Year	<u>4,900</u>	<u>(29,916)</u>	<u>(29,916)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 5,700</u>	<u>\$ 8,700</u>	<u>\$ (66,502)</u>	<u>\$ (75,202)</u>

See accompanying Notes to Basic Financial Statements.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 DEFINITION OF REPORTING ENTITY

Colorado Science and Technology Park Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for the County of Adams on November 30, 2007, concurrently with two other districts, Colorado Science and Technology Park Metropolitan Districts No. 2 and 3, 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 July 16, 2007. The District's service area is located in the City of Aurora in Adams County, Colorado. The District was established to provide financing for the construction and installation of public improvements, including water, sanitary sewer, streets, parks and recreation, transportation, traffic and safety, mosquito control, television relay and translation, security and, upon an intergovernmental agreement with the City, fire protection.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. 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 property taxes and intergovernmental revenues.

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

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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 as general revenues.

Separate financial statements are provided for the 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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 incremental tax revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has 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 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 is used to account 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.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District's has amended its annual budget for the year ended December 31, 2023.

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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. 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. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and being constructed and/or depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets which are being constructed and/or 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.

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 30th or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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

Incremental Property Taxes

The District receives incremental property tax revenue from the Aurora Urban Renewal Authority for the project area within Tax Increment Financing (TIF) Area 1. Incremental property tax revenues are considered to be the excess of an amount equal to the ad valorem property taxes produced by the levy at rates fixed for such year by or for the governing bodies of the various taxing jurisdictions within or overlapping the project area over the property tax base amount. The property tax base amount is based on assessed valuation of all taxable property within the project area last certified by the county Assessor prior to the adoption of the plan.

Incremental Sales and Use Taxes

The District receives incremental sales and use tax revenue from the TIF 1 project area which is received by the Authority from the City's general sales tax of 3.75% in excess of the sales tax base. 85% of the incremental sales and use tax for each 12-month period following the base year shall be credited to the tax allocation account excluding a 0.25% dedicated tax.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, with the unamortized amount included as a component of the debt. Debt issuance costs are treated as a period cost and expensed in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

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

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

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

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

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

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

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

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deficits

The General Fund and Capital Projects Fund reported deficits in the fund financial statements as of December 31, 2023. The deficits are anticipated to be eliminated with the receipt of Developer advances.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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	\$ 15,128
Cash and Investments - Restricted	5,076,343
Total Cash and Investments	\$ 5,091,471

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

Deposits with Financial Institutions	\$ 48,763
Investments	5,042,708
Total Cash and Investments	\$ 5,091,471

Deposits with Financial Institutions

The Colorado Savings and Loan Association 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 deposits had a bank and carrying balance of \$48,763.

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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

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

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

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government	Weighted-Average	
Liquid Asset Trust (COLOTRUST PLUS+ FUND)	Under 60 Days	<u>\$ 5,042,708</u>

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. 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 24-75-601.1.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.1.

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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

Restricted Cash and Investments

At December 31, 2023, cash and investments in the amount of \$5,042,708 are held in trust, all of which is restricted for debt service. In addition, at December 31, 2023, the District had \$8,700 restricted for TABOR Emergency Reserve, \$19,529 restricted for debt service not held in trust, and \$5,906 restricted for capital projects not held in trust.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 CAPITAL ASSETS

An analysis of the changes in the District's capital assets for the year ended December 31, 2023 follows:

	Balance - December 31, 2022	Additions	Reductions/ Reclassifications	Balance - December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 2,460,828	\$ 2,586,423	\$ -	\$ 5,047,251
Total Capital Assets, Not Being Depreciated	2,460,828	2,586,423	-	5,047,251
Capital Assets, Being Depreciated:				
Streets	1,605,619	-	-	1,605,619
Streetlighting	1,674,713	-	-	1,674,713
Underground Drainage Structure	1,149,265	-	-	1,149,265
Total Capital Assets, Being Depreciated	4,429,597	-	-	4,429,597
Less: Accumulated Depreciation for:				
Streets	(321,124)	(160,562)	-	(481,686)
Streetlighting	(334,942)	(167,471)	-	(502,413)
Underground Drainage Structure	(35,362)	(17,681)	-	(53,043)
Total Accumulated Depreciation	(691,428)	(345,714)	-	(1,037,142)
Total Capital Assets, Being Depreciated, Net	3,738,169	(345,714)	-	3,392,455
Governmental Capital Assets, Net	<u>\$ 6,198,997</u>	<u>\$ 2,240,709</u>	<u>\$ -</u>	<u>\$ 8,439,706</u>

Depreciation expense for the year ended December 31, 2023, of \$345,714 was charged to general governmental function/program.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance - December 31, 2022	Increases/ Additions	Decreases/ Retirements	Balance - December 31, 2023	Due Within One Year
Governmental Activities:					
Bonds:					
General Obligation Bonds - Series 2018	\$ 27,865,000	\$ -	\$ 970,000	\$ 26,895,000	\$ 1,370,000
Bond Premium - Series 2018	121,218	-	10,116	111,102	-
Bonds Payable	27,986,218	-	980,116	27,006,102	1,370,000
Direct Borrowings:					
Subordinate Loan - FRA - Principal	15,568,166	189,709	-	15,757,875	-
Subordinate Loan - FRA - Accrued Interest	1,142,422	1,620,858	878,129	1,885,151	-
Other Debts:					
Developer Advances - Operations	8,329	107,000	-	115,329	-
Accrued Interest on Developer Advances - Operations	939	7,315	-	8,254	-
Total	<u>\$ 44,706,074</u>	<u>\$ 1,924,882</u>	<u>\$ 1,858,245</u>	<u>\$ 44,772,711</u>	<u>\$ 1,370,000</u>

\$29,635,000 Special Revenue Refunding and Improvement Bonds, Series 2018

On December 28, 2018, the District issued Special Revenue Refunding and Improvement Bonds, Series 2018, (the Bonds) with interest rates varying from 4.375% to 5.250%. The Bonds were subject to redemption prior to maturity, at the option of the District, as a whole or integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest, and redemption premium equal to a percentage of the principal amount so redeemed. The Bonds maturing on December 1, 2026 also were subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2020, and on each December 1 thereafter prior to the maturity date of such Bonds, upon payment of par and accrued interest, without redemption premium. The proceeds from the sale of the Bonds were used for the purposes of (a) paying Project Costs, (b) refunding the outstanding principal amount of the 2015 Loan, (c) fund the Reserve Fund in the amount of the Reserve Requirement, and (d) paying other costs in connection with the issuance of the Bonds.

On December 28, 2018, the District paid \$3,340,000 of Stapleton Land, LLC Loan dated September 30, 2015, with an interest rate of 5.5% by the issuance of the Bonds with interest rates of 4.375 to 5.250%. The refunding has provided certain economic benefits to the District.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$29,635,000 Special Revenue Refunding and Improvement Bonds, Series 2018
(Continued)

Reserve Fund

The Bonds are secured by the Reserve Fund which was funded from the proceeds of the Bonds in the amount of the Reserve Requirement of \$2,167,420. If a withdrawal from the Reserve Fund is made that reduces the balance in such fund below the Reserve Requirement, the District is to include in the computation of its next mill levy certification of District No. 2, the amount necessary to replenish the Reserve Fund to the Reserve Requirement, subject to the limitations of District No. 2 Required Mill Levy.

The Reserve Requirement was initially \$2,167,420, and thereafter, an amount that in no case shall exceed the least of (i) the maximum annual debt service on the Bonds; (ii) 125% of the average annual debt service on the Bonds; or (iii) 10% of the principal amount of the Bonds. For 2023, the Reserve Requirement is \$2,025,157.

The balance in the Reserve Fund at December 31, 2023 is \$2,028,250.

Surplus Fund

The Bonds are further secured by funds in the Surplus Fund, if any. Pledged Revenue that is not needed to pay debt service on the Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$2,963,500. The balance of the Surplus Fund at December 31, 2023 is \$2,968,018.

Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue, which includes: (a) all District No. 2 Pledged Revenues; (b) prior to the TIF Termination Date, all Pledged TIF Revenues; (c) all District PILOT Revenues; and (d) any other legally available monies which the District determines, in its absolute discretion, to credit to the Bond Fund.

Unused lines of credit

The Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the Bonds.

Events of Default

Events of default occur if the Districts fail to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and do not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures and fails to enforce the provisions of the Public Finance Redevelopment Agreement or any PILOT Covenant in which the District has enforcement rights.

Termination Events

The Bonds do not have a termination provision.

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

**\$29,635,000 Special Revenue Refunding and Improvement Bonds, Series 2018
(Continued)**

Acceleration

The Bonds are not subject to acceleration.

The District's long-term obligations will mature as follows*:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,370,000	\$ 1,341,012	2,711,012
2025	1,430,000	1,281,075	2,711,075
2026	1,550,000	1,218,512	2,768,512
2027	1,615,000	1,150,700	2,765,700
2028	1,750,000	1,069,950	2,819,950
2029-2033	9,800,000	3,924,750	13,724,750
2034-2038	1,640,000	2,302,387	3,942,387
2039-2043	2,330,000	1,803,900	4,133,900
2044-2048	5,410,000	1,101,713	6,511,713
Total	<u>\$ 26,895,000</u>	<u>\$ 15,193,999</u>	<u>\$ 42,088,999</u>

*These bonds have since been refunded (Note 12)

Capital Pledge Agreement

On December 28, 2018, the District entered into the Capital Pledge Agreement with Colorado Science and Technology Park Metropolitan District No. 2 (District No. 2) and 3 (District No. 3). Pursuant to the 2018 Capital Pledge Agreement, the Board of each District determined to terminate the Amended and Restated Pledge Agreement entered into 2015 and to not include District No. 3 as a "Taxing District." District No. 2 agrees to impose a required mill levy of 50.000 mills, subject to certain adjustments, and to pledge Property Tax Increment Revenues, Specific Ownership Taxes and Payment In Lieu Of Tax (PILOT) revenues to the District to pay principal and interest on the Bonds. The required mill levy revenues include the portion of the specific ownership tax revenues attributable to the required mill levy, net of any collection fees withheld by the County Treasurer. The Bonds were refunded in April 2024.

Developer Advances

On January 23, 2019, the District entered into the 2019 Operation and Capital Funding Agreement (2019 Funding Agreement) with FRA. The 2019 Funding Agreement provides for FRA to make additional advances to the District for operations, maintenance, and capital expenses in fiscal year 2019 and future years. The operations advances bear simple interest at the rate of 50 basis points above the published *The Wall Street Journal* prime rate adjusted monthly. The District agrees that all outstanding operating and maintenance advances including interest incurred shall be paid in full no later than December 31, 2034.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

In July 2019, the District entered into the Subordinate Loan Agreement (further discussed below) with FRA to evidence the repayment obligation of the Districts to FRA for capital advances previously made to the District and for future capital advances to be made for acquiring, constructing, and installing public improvements within the boundaries of the Districts. Upon issuance of the Subordinate Loan, the balance of all capital advances was deemed paid.

Amounts outstanding under the Developer Funding Agreement that have been or will be advanced for operations and maintenance purposes remain payable under the terms of the 2019 Funding Agreement and shall not be payable pursuant to the Subordinate Loan Agreement. As of December 31, 2023, the District has an operating advance payable of \$123,583, of which \$115,329 is principal and \$8,254 is accrued interest. This agreement was terminated in April 2024.

Subordinate Loan Agreement

On July 31, 2019, the District, District No. 2, District No. 3, and FRA entered into the Subordinate Loan Agreement. The Subordinate Loan is a revolving line of credit, such that the principal shall be increased as advances are made. Simple interest shall accrue on the Subordinate Loan and on each advance from the date of deposit into the District's account until repaid, at the rate of 50 basis points above the published *The Wall Street Journal* prime rate, to be adjusted monthly, and computed on the basis of a 360-day year of 12 30-day months. Interest is payable annually on each December 15, commencing on December 15, 2019. To the extent interest is not paid when due, such interest shall compound annually, on each December 15, at the rate then borne by the Subordinate Loan. Principal payments shall be made annually from the subordinate revenue in excess of the amount necessary to pay current and past due interest in full. However, no specific principal payments are due until maturity of the Subordinate Loan on December 15, 2048. The Subordinate Loan is payable from specific ownership taxes and a limited debt service mill levy imposed by District No. 3, under the 2019 Capital Pledge Agreement, a limited debt service mill levy imposed by the District, and from any District No. 2 Pledged Revenues (as defined in the 2018 Indenture) available after payment of the Series 2018 Bonds and any other Senior Obligations later issued. As of December 31, 2023, total due was \$17,643,026 of which \$15,757,875 is principal and \$1,885,151 is accrued interest.

Capital Pledge Agreement

On July 31, 2019, the District entered into a Capital Pledge Agreement with District No. 3. Pursuant to this Agreement, District No. 3 agrees to impose a debt mill levy of 50.000 mills and to pledge property tax revenues and specific ownership taxes to pay the Subordinate Loan. This agreement was terminated in April 2024.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 AUTHORIZED DEBT

On November 6, 2007, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$750,000,000 at an interest rate not to exceed 18% per annum. On May 6, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$750,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 6, 2007 Election	Authorized May 6, 2014 Election	Prior Authorization Used	2018 Bonds Authorization Used	2019 Subordinate Loan Authorization Used	Remaining at December 31, 2023
Streets	\$ 750,000,000	\$ 750,000,000	\$ 5,437,684	\$ 18,118,622	\$ 13,345,577	\$ 1,463,098,117
Traffic and Safety	750,000,000	750,000,000	-	-	-	1,500,000,000
Water	750,000,000	750,000,000	2,746,565	1,678,801	1,848,028	1,493,726,605
Sanitary Sewer	750,000,000	750,000,000	9,131,607	6,280,830	1,848,028	1,482,739,535
Parks and Recreation	750,000,000	750,000,000	-	942,416	1,848,028	1,497,209,556
Public Transportation	750,000,000	750,000,000	-	-	-	1,500,000,000
Mosquito Control	750,000,000	750,000,000	-	-	-	1,500,000,000
Fire Protection	750,000,000	750,000,000	-	-	-	1,500,000,000
Operation and Maintenance	750,000,000	750,000,000	-	-	240,073	1,499,759,927
Intergovernmental Agreements/Contracts	750,000,000	750,000,000	-	-	-	1,500,000,000
Debt Refunding	750,000,000	750,000,000	-	-	-	1,500,000,000
Television Relay and Translation	750,000,000	750,000,000	-	-	-	1,500,000,000
Security	-	750,000,000	-	-	-	750,000,000
Total	\$ 9,000,000,000	\$ 9,750,000,000	\$ 17,315,856	\$ 27,020,669	\$ 19,129,734	\$ 18,686,533,740

\$2,614,331 of the 2018 Bonds par amount constitutes a financing of District indebtedness at a lower interest rate and does not require electoral authorization.

Pursuant to their Service Plans, the District, together with Colorado Science and Technology Metropolitan District Nos. 2 and 3, are each permitted to issue aggregate indebtedness of up to \$750,000,000.

In the future, the District may issue a portion or all of the remaining authorized, but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, the amount and timing of any debt issuances is not determinable.

NOTE 7 AGREEMENTS

Facilities Funding, Construction, and Operation Intergovernmental Agreement

On December 3, 2007, the District entered into a Facilities Funding, Construction, and Operations Agreement with Colorado Science and Technology Park Districts No. 2 and No. 3. Pursuant to the agreement, the District is the Operating District and is responsible for managing the financing, construction, operations, and maintenance of the project for the benefit of the Districts. District No. 2 and District No. 3 are the Taxing Districts and are responsible for funding the costs of the infrastructure improvements and funding the costs of services provided by the District.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 AGREEMENTS (CONTINUED)

Public Finance and Redevelopment Agreement

On August 25, 2008, the District entered into an agreement with the Aurora Urban Renewal Authority (the Authority) and Fitzsimons Developer, LLC. Fitzsimons Developer, LLC has agreed to develop the Project in a manner consistent with the CSTP Master Plan. The District has agreed to construct and install the Public Improvements. The Authority has pledged portions of incremental tax revenues received by the Authority to the District, including 100% of incremental tax revenues derived from the levy of property tax by Colorado Science and Technology Park Metropolitan District Nos. 1-3 and portions of incremental tax revenues derived from property taxes levied by other taxing jurisdictions on property within the Districts, as well as City of Aurora sales, use and lodger taxes, and PILOT revenues (collectively, the Pledged Revenues). The agreement terminates on December 31, 2058. On September 30, 2015, the agreement was assigned from Fitzsimons Developer, LLC to Fitzsimons Redevelopment Authority.

Roadway Redesign Cost Reimbursement Agreement

On January 14, 2021, the District and District Nos. 2 and 3 entered into an agreement with Aimco Properties, LLC (the Developer), the City of Aurora (the City), Fitzsimons Redevelopment Authority (the Authority) and the Regents of the University of Colorado (the University) to facilitate the redesign of Mountview Boulevard from Peoria Street East to Fitzsimons Parkway. The design costs are estimated to be \$1,800,000. The City, Authority, Districts, and University are willing to reimburse the Developer for a portion of the design cost. The estimated amount to be reimbursed to the Developer under the Design Contract is \$1,350,000 (Eligible Reimbursement Amount). It is contemplated that the Developer will contribute approximately \$450,000 to the cost of the design, based on the Estimated Design Cost, subject to change based on the Total Design Cost. The City, Authority, Districts, and University will reimburse Developer only up to the Eligible Reimbursement Amount. The final cost reimbursement contribution of the District is \$409,378. This amount is reported as an other liability, as of December 31, 2023, and has been fully paid in April 2024.

ARI Mill Levy Contribution to City of Aurora

The District's Service Plan requires the District to impose an ARI Mill Levy to aid in funding regional improvements. From the District's first year of collection of a debt service mill levy through the 20th year thereafter, the District's ARI Mill Levy is equal to 1.000 mill, subject to adjustment for changes in the method of calculating assessed valuation. The District remits the revenue from the ARI Mill Levy to the City, which funds are remitted back to the District in accordance with the terms of the First Amended and Restated Intergovernmental Agreement between the City and District, as amended.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:

Capital Assets, Net	\$ 8,439,706
Capital Related Debt	<u>(9,116,381)</u>
Total	<u><u>\$ (676,675)</u></u>

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District's restricted net position as of December 31, 2023 is as follows:

Restricted Net Position:

Emergency Reserves	\$ 8,200
Debt Service	<u>2,924,172</u>
Total Restricted Net Position	<u><u>\$ 2,932,372</u></u>

The District has a deficit in unrestricted net position. This negative net position is a result of the District being responsible for the repayment of long-term debt and accrued interest issued to finance public improvements previously conveyed to other governmental entities.

NOTE 9 RELATED PARTIES

The previous Developer of the property which constitutes the District was Fitzsimons Developer, LLC. During 2015, Fitzsimons Redevelopment Authority (FRA) replaced Fitzsimons Developer, LLC as the developer of the property within the District. The majority of the Board of Directors are employees of, owners of or otherwise associated with the FRA, and may have conflicts of interest in dealing with the District.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property, 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 11 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 which apply to the State of Colorado and all local governments.

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

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

On November 6, 2007, the District's electors authorized the District to collect and spend or retain ad valorem taxes up to \$10,000,000 annually for operations and maintenance expenses of the District without regard to any limitation imposed by TABOR beginning in 2008. The electors also authorized the District to increase taxes up to \$10,000,000 annually to pay the District operations and maintenance expenses by the imposition of fees without limitation as to rate or amount. The electors also authorized the District to increase taxes of up to \$750,000,000 annually to pay for regional improvements for which it is obligated per its service plan and other intergovernmental agreements.

COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On May 6, 2014, the District's electors authorized the District to collect and spend or retain ad valorem taxes up to \$10,000,000 annually for operations and maintenance expenses of the District without regard to any limitation imposed by TABOR beginning in 2014. The electors also authorized the District to increase taxes up to \$10,000,000 annually to pay the District operations and maintenance expenses by the imposition of fees without limitation as to rate or amount. The electors also authorized the District to increase taxes of up to \$750,000,000 annually to pay for regional improvements for which it is obligated per its service plan and other intergovernmental agreements.

On May 6, 2014, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District for 2014 and any year thereafter, without regard to any limitations under TABOR.

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

NOTE 12 SUBSEQUENT EVENTS

On April 25, 2024 the District issued 2024 Special Revenue Refunding and Improvement Bonds to refund the 2018 Bonds and Subordinate Loan and pay for the costs of acquiring, constructing and installing certain Public Improvements among other purposes. The Series 2024 Bonds consist of the Series 2024A Senior Bonds with an aggregate principal amount of \$34,675,000 and the Series 2024B Subordinate Bonds with an aggregate principal amount of \$9,775,000.

The Series 2024A Senior Bonds bear interest rates per annum ranging between 4.000-5.000% payable semi-annually on June 1 and December 1, commencing December 1, 2024. The Series 2024B Subordinate Bonds bear interest rate between 4.125% and 5.000% payable annually on December 15, commencing December 15, 2024.

SUPPLEMENTARY INFORMATION

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 3	\$ 3	\$ 3	\$ -
Specific Ownership Taxes	8	8	8	-
Incremental Property Taxes - AURA	2,800,000	2,827,000	2,826,047	(953)
Incremental Sales & Use Taxes - AURA	70,000	175,000	174,174	(826)
Interest Income	150,000	252,300	252,607	307
Transfers from Colorado Science and Technology Park Metropolitan District No. 2	69,117	68,000	67,946	(54)
Transfers from Colorado Science and Technology Park Metropolitan District No. 3	14	15	15	-
Total Revenues	<u>3,089,142</u>	<u>3,322,326</u>	<u>3,320,800</u>	<u>(1,526)</u>
EXPENDITURES				
Interest - Series 2018 Bonds	1,383,450	1,383,450	1,383,450	-
Principal - Series 2018 Bonds	970,000	970,000	970,000	-
Interest - 2019 Subordinate Loan	732,192	880,000	878,129	1,871
Paying Agent Fees	3,500	3,500	3,500	-
Total Expenditures	<u>3,089,142</u>	<u>3,236,950</u>	<u>3,235,079</u>	<u>1,871</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	85,376	85,721	345
OTHER FINANCING SOURCES (USES)				
Transfers from Other Fund	-	-	23	23
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>
NET CHANGE IN FUND BALANCE				
	-	85,376	85,744	368
Fund Balance - Beginning of Year	<u>5,130,920</u>	<u>5,117,599</u>	<u>5,117,599</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,130,920</u>	<u>\$ 5,202,975</u>	<u>\$ 5,203,343</u>	<u>\$ 368</u>

**COLORADO SCIENCE AND TECHNOLOGY PARK METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 38,000	\$ 31,128	\$ (6,872)
Total Revenues	<u>38,000</u>	<u>31,128</u>	<u>(6,872)</u>
EXPENDITURES			
Developer-Paid Costs	-	74,709	(74,709)
Project Management	61,000	41,133	19,867
23rd Avenue/BS-5 Offsite Infrastructure	2,591,114	2,453,921	137,193
BioScience 5 Parcel	-	16,660	(16,660)
Total Expenditures	<u>2,652,114</u>	<u>2,586,423</u>	<u>65,691</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,614,114)	(2,555,295)	58,819
OTHER FINANCING SOURCES (USES)			
Developer Advance	-	189,709	189,709
Transfers from Other Fund	-	47,000	47,000
Transfers to Other Fund	-	(23)	(23)
Total Other Financing Sources (Uses)	<u>-</u>	<u>236,686</u>	<u>236,686</u>
NET CHANGE IN FUND BALANCE	(2,614,114)	(2,318,609)	295,505
Fund Balance - Beginning of Year	<u>2,614,114</u>	<u>1,530,750</u>	<u>(1,083,364)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ (787,859)</u>	<u>\$ (787,859)</u>