

**TRANSPORT METROPOLITAN
DISTRICT NO. 1
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Transport Metropolitan District No. 1
Adams County, Colorado

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, and the aggregate remaining fund information of TransPort Metropolitan District No. 1, as of December 31, 2023, and the respective changes in financial position and, 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. 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 TransPort Metropolitan District No. 1 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 opinion.

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 TransPort Metropolitan District No. 1'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Transport Metropolitan District No. 1'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 TransPort Metropolitan District No. 1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise TransPort Metropolitan District No. 1's basic financial statements. The supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedule of Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express any opinion or provide any assurance on them.

A handwritten signature in black ink that reads "Watson Coon Ryan, LLC". The signature is written in a cursive, flowing style.

Watson Coon Ryan, LLC
May 20, 2024
Centennial, Colorado

BASIC FINANCIAL STATEMENTS

TRANSPORT METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments	\$ 7,091
Cash and Investments - Restricted	8,200
Due from Developer Contribution	1,037
Due from Other Districts	57,009
Prepaid Insurance	12,680
Property Tax Receivable	1
Capital Assets:	
Capital Assets Not Being Depreciated	78,334,342
Total Assets	78,420,360
LIABILITIES	
Accounts Payable	2,819,791
Retainage Payable	1,484,752
Accrued Interest	14,617
Noncurrent Liabilities:	
Due in More Than One Year	305,741
Total Liabilities	4,624,901
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	1
Total Deferred Inflows of Resources	1
NET POSITION	
Restricted for:	
Emergency Reserve	8,200
Net Position - Unrestricted	73,787,258
Total Net Position	\$ 73,795,458

See accompanying Notes to Basic Financial Statements.

**TRANSPORT METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government	\$ 285,686	\$ -	\$ 273,237	\$ -
Public Works	-	-	-	1,478,019
Interest on Long-Term Debt and Related Costs	6,379	-	-	-
Total Governmental Activities	<u>\$ 292,065</u>	<u>\$ -</u>	<u>\$ 273,237</u>	<u>\$ 1,478,019</u>
GENERAL REVENUES				
Property Taxes				1
Total General Revenues and Transfers				<u>1</u>
CHANGES IN NET POSITION				
Net Position - Beginning of Year				1,459,192
NET POSITION - END OF YEAR				<u>72,336,266</u>
				<u>\$ 73,795,458</u>

See accompanying Notes to Basic Financial Statements.

**TRANSPORT METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

ASSETS	General	Capital Projects	Total Governmental Funds
Cash and Investments	\$ 7,091	\$ -	\$ 7,091
Cash and Investments - Restricted	8,200	-	8,200
Due from Developer Contribution	-	1,037	1,037
Due from Other Districts	57,009	-	57,009
Prepaid Insurance	12,680	-	12,680
Property Tax Receivable	1	-	1
	<u>\$ 84,981</u>	<u>\$ 1,037</u>	<u>\$ 86,018</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 84,180	\$ 2,735,611	\$ 2,819,791
Retainage Payable	-	1,484,752	1,484,752
Total Liabilities	<u>84,180</u>	<u>4,220,363</u>	<u>4,304,543</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	1	-	1
Total Deferred Inflows of Resources	<u>1</u>	<u>-</u>	<u>1</u>
FUND BALANCES			
Nonspendable:			
Prepaid Expense	12,680	-	12,680
Restricted for:			
Emergency Reserves	8,200	-	8,200
Unassigned	(20,080)	(4,219,326)	(4,239,406)
Total Fund Balances	<u>800</u>	<u>(4,219,326)</u>	<u>(4,218,526)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 84,981</u>	<u>\$ 1,037</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.

78,334,342

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest

(14,617)

Developer Advance Payable

(305,741)

Net Position of Governmental Activities

\$ 73,795,458

See accompanying Notes to Basic Financial Statements.

TRANSPORT METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 1	\$ -	\$ 1
Intergovernmental Revenue	273,237	1,086,967	1,360,204
Developer Contribution	-	391,052	391,052
Total Revenues	<u>273,238</u>	<u>1,478,019</u>	<u>1,751,257</u>
EXPENDITURES			
Current:			
Accounting	34,284	34,285	68,569
Auditing	12,000	-	12,000
Banking Fees	91	-	91
Dues and Membership	1,736	-	1,736
Engineering	-	32,481	32,481
Insurance	15,752	-	15,752
Legal	103,911	50,546	154,457
Website	600	-	600
Capital Projects:			
Capital Outlay	-	3,013,820	3,013,820
Capital Outlay Developer Certified Costs	-	213,687	213,687
Repay Developer Advance	-	213,687	213,687
Total Expenditures	<u>168,374</u>	<u>3,558,506</u>	<u>3,726,880</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	104,864	(2,080,487)	(1,975,623)
OTHER FINANCING SOURCES (USES)			
Developer Advance	-	438,243	438,243
Transfers in/(out)	(356,079)	356,079	-
Total Other Financing Sources (Uses)	<u>(356,079)</u>	<u>794,322</u>	<u>438,243</u>
NET CHANGE IN FUND BALANCES	(251,215)	(1,286,165)	(1,537,380)
Fund Balances (Deficits) - Beginning of Year	<u>252,015</u>	<u>(2,933,161)</u>	<u>(2,681,146)</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 800</u>	<u>\$ (4,219,326)</u>	<u>\$ (4,218,526)</u>

See accompanying Notes to Basic Financial Statements.

**TRANSPORT METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (1,537,380)

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay 3,227,507

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 government funds. Neither transaction, however, has any effect on net position.

Developer Advance (438,243)
Repay Developer Advance 213,687

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 Payable - Change in Liability (6,379)

Changes in Net Position of Governmental Activities \$ 1,459,192

**TRANSPORT METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1	\$ 1	1	\$ -
Other Revenue	766	-	-	-
Intergovernmental Revenue	278,230	273,237	273,237	-
Total Revenues	<u>278,997</u>	<u>273,238</u>	<u>273,238</u>	<u>-</u>
EXPENDITURES				
Accounting	73,000	34,284	34,284	-
Auditing	12,500	12,000	12,000	-
Banking Fees	600	91	91	-
Contingency	60,000	-	-	-
Dues and Membership	1,700	1,736	1,736	-
Election	3,000	-	-	-
Insurance	10,200	15,752	15,752	-
Legal	110,000	103,911	103,911	-
Miscellaneous	5,000	-	-	-
Website	-	600	600	-
Total Expenditures	<u>276,000</u>	<u>168,374</u>	<u>168,374</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,997	104,864	104,864	-
OTHER FINANCING SOURCES (USES)				
Transfers to Other Fund	-	(356,079)	(356,079)	-
Total Other Financing Uses	<u>-</u>	<u>(356,079)</u>	<u>(356,079)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,997	(251,215)	(251,215)	-
Fund Balance - Beginning of Year	<u>233,003</u>	<u>252,015</u>	<u>252,015</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 236,000</u>	<u>\$ 800</u>	<u>\$ 800</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

TRANSPORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 DEFINITION OF REPORTING ENTITY

TransPort Metropolitan District No. 1 (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, which is located in the City of Aurora was organized following an election held on November 7, 2006 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District, together with TransPort Metropolitan District Nos. 2-15 (the Districts) are collectively undertaking the financing and construction of certain public improvements within and without the boundaries of the Districts. The service plans for the Districts authorize the Districts to enter into certain intergovernmental cost sharing and recovery agreements which govern the relationships between and among the Districts with respect to financing, construction and operation of the public improvements. These services are determined through the Coordinating Services Agreement.

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 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 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.

TRANSPORT 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.

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

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

The District 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.

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, 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.

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.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities' column 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.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets component of the District's net position.

TRANSPORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Equity

Net Position

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

Fund Balance

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

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

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

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.

**TRANSPORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Deficits

The Capital Project Fund reported a deficit in the fund financial statements as of December 31, 2023. The deficit will be eliminated in 2024 with transfers from Transport Metropolitan Districts No. 2, No. 3, and No. 4, and with developer advances.

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	\$ 7,091
Cash and Investments - Restricted	8,200
Total Cash and Investments	\$ 15,291

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

Deposits with Financial Institutions	\$ 15,291
Total Cash and Investments	\$ 15,291

Cash Deposits

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 deposits had a bank balance and carrying balance of \$15,291.

As of December 31, 2023, the District had no investments.

TRANSPORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 CAPITAL ASSETS

An analysis of the changes in property for the period ended December 31, 2023, follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 75,106,835	\$ 3,227,507	\$ -	\$ 78,334,342
Total Capital Assets, Not Being Depreciated	<u>75,106,835</u>	<u>3,227,507</u>	<u>-</u>	<u>78,334,342</u>
Governmental Activities Capital Assets, Net	<u>\$ 75,106,835</u>	<u>\$ 3,227,507</u>	<u>\$ -</u>	<u>\$ 78,334,342</u>

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 at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Other Debts					
Developer Advance - Operating	\$ 81,185	\$ -	\$ -	\$ 81,185	\$ -
Developer Advance - Capital	-	438,243	213,687	224,556	-
Accrued Interest on:					
Developer Advance - Operating	8,238	13,186	8,238	13,186	-
Developer Advance - Capital	-	1,431	-	1,431	-
Subtotal Other Debts	<u>89,423</u>	<u>452,860</u>	<u>221,925</u>	<u>320,358</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 89,423</u>	<u>\$ 452,860</u>	<u>\$ 221,925</u>	<u>\$ 320,358</u>	<u>\$ -</u>

Authorized Debt

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$1,500,000,000, and the eligible electors of the District have authorized the issuance of bond indebtedness of up to \$21,000,000,000.

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

**TRANSPORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

The 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 had a restricted net position as of December 31, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 8,200
Total Restricted Net Position	\$ 8,200

The remaining balance of Net Position is unrestricted.

NOTE 7 RELATED PARTIES

The property within the District is being developed by Western Transport, LLC (the Developer). During 2023, all of the members of the Board of Directors were officers or employees of, or otherwise associated with the Developer or a related entity and may have conflicts of interest in matters involving the District. The Developer advanced funds to the District pursuant to following agreements (see Note 8 Agreements for additional information).

The District and Western Transport, LLC (Western Transport) entered into an Independent Contractor Agreement for Construction Management Services dated March 22, 2021 (the Construction Management Agreement) whereby Western Transport is to provide construction management services during the construction of public improvements. On October 6, 2021, with the consent of the District, Western Transport assigned the Construction Management Agreement to Front Range Construction Management LLC, a company also related to Western Transport (the Developer). The management fee is 4.5% of the amount of the managed costs, excluding engineering cost certification and administrative costs. During 2023, the District paid \$187,812 for construction management services. At the end of the year, \$6,109 was payable to Front Range Construction Management.

Infrastructure Acquisition and Reimbursement Agreement

The District and Western Transport entered into an Infrastructure Acquisition and Reimbursement Agreement on February 10, 2021 (the Acquisition Agreement). Pursuant to the Acquisition Agreement, the District and the Western establish the process and procedure for the acceptance of district eligible costs by the District, and reimbursement of the same to Western Transport, and establish the process for acquisition of public improvements constructed by Western Transport. The District agrees to reimburse Western Transport for certified eligible costs related to public improvements together within simple interest that shall accrue on amounts reimbursable to Western Transport under this Agreement, until paid, at the rate of 6% per annum.

TRANSPORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 RELATED PARTIES (CONTINUED)

Funding and Reimbursement Agreement (Capital)

The District and the Developer entered into a Funding and Reimbursement Agreement on November 18, 2020, for the purposes of funding capital costs. With respect to each loan advance made under this agreement prior to the issuance of any Reimbursement Obligation reflecting such advance, the interest rate shall be 6% per annum, from the date any such advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount.

On November 20, 2023, the Agreement was modified to reflect a change in the interest rate. The new interest rate is the Municipal Market Data (MMD) "AAA" General Obligation Yield Curve, 30-year constant maturity, published by the Refinitiv at tm3.com plus 3.25 bps, from the date any such advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount.

As of December 31, 2023, there were outstanding advances and accrued interest under this agreement in the amount of \$224,556 and respectively \$1,431.

Funding and Reimbursement Agreement (Operations and Maintenance)

The District and the Developer entered into a Funding and Reimbursement Agreement on February 5, 2020, for the purposes of funding operations and maintenance costs. With respect to each loan advance made under this agreement, prior to the issuance of any Reimbursement Obligation reflecting such advance, the interest rate shall be 6% per annum, from the date any such advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount.

On November 20, 2023, the Agreement was modified to reflect a change in the interest rate. The new interest rate is the Municipal Market Data (MMD) "AAA" General Obligation Yield Curve, 30-year constant maturity, published by the Refinitiv at tm3.com plus 3.25 bps, from the date any such advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount.

As of December 31, 2023, outstanding advances under this agreement totaled \$81,185 and accrued interest totaled \$13,186.

District Coordinating Services Agreement (District Nos. 1-4)

Effective as of November 20, 2019, the District and TransPort Metropolitan District Nos. 2-4 (collectively, the Coordinating Districts) entered into a District Coordinating Services Agreement (the Coordinating Services Agreement) for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, construction and funding of certain administrative costs of the Coordinating Districts, and costs related to the continued operation and maintenance of certain of the public improvements within such Coordinating Districts. Pursuant to the Coordinating Services Agreement, the District was designated as the "coordinating district". TransPort Metropolitan District Nos. 2-4 were each designated as "financing districts".

TRANSPORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to Capital Fund was related to funding capital expenses.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; 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 10 TAX, SPENDING, AND DEBT LIMITATION

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 7, 2006, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District 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.

**TRANSPORT METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 11 COMMITMENTS AND CONTINGENCIES

As of December 31, 2023, the District had no construction related commitments.

SUPPLEMENTARY INFORMATION

**TRANSPORT METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer Contribution	\$ 24,994	\$ 391,052	\$ 391,052	\$ -
Transfer from TMD3	2,156,506	1,086,967	1,086,967	-
Total Revenues	<u>2,181,500</u>	<u>1,478,019</u>	<u>1,478,019</u>	<u>-</u>
EXPENDITURES				
Accounting	29,000	34,285	34,285	-
Engineering	50,000	32,481	32,481	-
Legal	63,000	50,546	50,546	-
Repay Developer Advance	500,000	213,687	213,687	-
Capital Outlay	1,539,500	3,013,820	3,013,820	-
Capital Outlay Developer Certified Costs	500,000	213,687	213,687	-
Total Expenditures	<u>2,681,500</u>	<u>3,558,506</u>	<u>3,558,506</u>	<u>-</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(500,000)	(2,080,487)	(2,080,487)	-
OTHER FINANCING SOURCES (USES)				
Developer Advance	500,000	1,724,408	438,243	(1,286,165)
Transfers from Other Funds	-	356,079	356,079	-
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>2,080,487</u>	<u>794,322</u>	<u>(1,286,165)</u>
NET CHANGE IN FUND BALANCE	-	-	(1,286,165)	(1,286,165)
Fund Balance (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>(2,933,161)</u>	<u>(2,933,161)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,219,326)</u>	<u>\$ (4,219,326)</u>

OTHER INFORMATION

**TRANSPORT METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2020	\$ 210	50.000	0.000	\$ 11	\$ 12	109.09 %
2021	10	50.000	0.000	1	1	100.00 %
2022	10	50.000	0.000	1	1	100.00 %
2023	10	50.000	0.000	1	1	100.00 %
Estimated for Year Ending December 31, 2024	\$ 10	50.000	0.000	1		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Adams County Assessor and Treasurer.