

AMBER CREEK METROPOLITAN DISTRICT

**THORNTON
ADAMS COUNTY, COLORADO**



FINANCIAL STATEMENTS
As of and for the 12-month period ended
December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Amber Creek Metropolitan District

Adams County, CO

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Amber Creek Metropolitan District (the "District") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of District, as of December 31, 2024, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

A handwritten signature in blue ink that reads "Flynn CPA, LLC". The signature is written in a cursive style and is underlined with a single horizontal line.

Castle Pines, Colorado
May 6, 2025

AMBER CREEK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2024

	Governmental Activities
ASSETS	
Cash and investments	111,802
Cash and investments – restricted	2,648,176
Accounts receivable	984,430
Accounts receivable – specific ownership taxes	5,999
Property taxes receivable	1,833,900
Prepaid expenses	16,480
Land	15,200
Depreciable capital assets, net	835,559
Total Assets	6,451,546
LIABILITIES	
Accounts payable and accrued liabilities	574
Accrued bond interest payable	833,056
Current portion of bond debt	225,000
Bond debt	15,001,000
Total Liabilities	16,059,630
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	1,833,900
Deferred facility fee revenue	957,437
NET POSITION (DEFICIT)	
Restricted:	
Emergency reserves	10,400
Debt service	2,441,773
Capital projects	200,680
Non-spendable	16,480
Unassigned:	(15,068,754)
Net Position (Deficit)	\$ (12,399,421)

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

**AMBER CREEK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
For the 12-Month Period Ended
December 31, 2024**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Government Activities:					
General government activities	\$ (219,840)	\$ 85,396	\$ -	\$ -	\$ (134,444)
Interest and related costs on long-term debt	(968,562)				(968,562)
Capital project activities	(63,650)	-	-	-	(63,650)
	<u>\$ (1,252,052)</u>	<u>\$ 85,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,166,656)</u>
General Revenues					
					1,608,304
					77,897
					141,521
					<u>1,827,722</u>
					661,066
					<u>(13,060,487)</u>
					<u>\$ (12,399,421)</u>

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

**AMBER CREEK METROPOLITAN DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2024**

	General Fund	Debt Service Fund	Capital Project Fund	Total Government Funds
ASSETS				
Cash and investments	\$ 111,802	\$ -	\$ -	\$ 111,802
Cash and investments - Restricted	10,400	2,437,096	200,680	2,648,176
Accounts receivable	984,430	-	-	984,430
Accounts receivable - specific ownership tax	1,322	4,677	-	5,999
Property taxes receivable	351,600	1,482,300	-	1,833,900
Prepaid expenses	16,480	-	-	16,480
TOTAL ASSETS	\$ 1,476,034	\$ 3,924,073	\$ 200,680	\$ 5,600,787
LIABILITIES				
Accounts payable and accrued liabilities	\$ 574	\$ -	\$ -	\$ 574
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	351,600	1,482,300	-	1,833,900
Deferred facility fee revenue	957,437	-	-	957,437
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,309,611	1,482,300	-	2,791,911
FUND BALANCES				
Restricted:				
Emergencies (TABOR)	10,400	-	-	10,400
Debt service	-	2,441,773	-	2,441,773
Capital projects	-	-	200,680	200,680
Non-spendable	16,480	-	-	16,480
Unrestricted	139,543	-	-	139,543
TOTAL FUND BALANCES	166,423	2,441,773	200,680	2,808,876
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,476,034	\$ 3,924,073	\$ 200,680	

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

Other long-term assets are not available or otherwise cannot be converted to cash to pay for current expenditures and, therefore, are recorded as expenditures in the funds

Land	15,200
Property, structures and equipment, net	835,559
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(15,226,000)
Accrued interest payable	(833,056)
Net position of governmental activities	\$ (12,399,421)

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

AMBER CREEK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
12-Month Period Ended
December 31, 2024

	General Fund	Debt Service Fund	Capital Project Fund	Total Government Funds
REVENUES				
Property taxes	\$ 354,444	\$ 1,253,860	\$ -	\$ 1,608,304
Specific ownership taxes	17,167	60,730	-	77,897
Covenant violation fine income	4,362	-	-	4,362
Facility fees - commercial lots	81,021	-	-	81,021
Reimb expenses - collection costs	13	-	-	13
Net investment income	8,648	130,475	2,398	141,521
Total Revenues	465,655	1,445,065	2,398	1,913,118
EXPENDITURES				
General and administration	56,974	-	-	56,974
Landscaping maintenance	109,437	-	-	109,437
Other district expenses	53,429	-	-	53,429
Litigation	-	9,214	-	9,214
Debt service				
Direct and indirect collection costs	-	79,083	-	79,083
Interest - Series 2017A Bonds	-	687,816	-	687,816
Principal - Series 2017A Bonds	-	215,000	-	215,000
Interest - Series 2017B Bonds	-	-	-	-
Major capital projects	-	-	21,645	21,645
Total Expenditures	219,840	991,113	21,645	1,232,598
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	245,815	453,952	(19,247)	680,520
OTHER FINANCING SOURCES (USES)				
Fund Transfers In / (Out)	(41,441)	-	41,441	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	204,374	453,952	22,194	680,520
FUND BALANCES – BEGINNING	(37,951)	1,987,821	178,486	2,128,356
FUND BALANCES – END OF YEAR	\$ 166,423	\$ 2,441,773	\$ 200,680	\$ 2,808,876

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

**AMBER CREEK METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
12-Month Period Ended
December 31, 2024**

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

Net change in fund balances – Total government funds	\$	680,520
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The issuance of long-term debt (e.g., bonds) 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.

Bonds - principal payments		215,000
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Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the net capital outlay activity for the year:

Depreciation expense on property, structures and equipment		(63,650)
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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.

Change in accrued interest on debt		(192,449)
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Changes in net position of governmental activities	\$	<u>661,066</u>
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These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**AMBER CREEK METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	\$ 351,600	\$ 354,444	\$ 2,844
Specific ownership taxes	22,900	17,167	(5,733)
Covenant violation fine income	4,000	4,362	362
Facility fees - commercial lots	-	81,021	81,021
Reimb expenses - collection costs	-	13	13
Net investment income	1,000	8,648	7,648
Other income	-	-	-
Total Revenues	379,500	465,655	86,155
EXPENDITURES			
General and administration	77,300	56,974	20,326
Landscaping maintenance	194,100	109,437	84,663
Other district expenses	73,400	53,429	19,971
Total Expenditures	344,800	219,840	124,960
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	34,700	245,815	211,115
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	(41,441)	(41,441)
Total Other Financing Sources (Uses)	-	(41,441)	(41,441)
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER	34,700	204,374	169,674
FUND BALANCE – BEGINNING OF YEAR	5,300	(37,951)	(43,251)
FUND BALANCE – END OF YEAR	\$ 40,000	\$ 166,423	\$ 126,423

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

**AMBER CREEK METROPOLITAN DISTRICT
GENERAL FUND
EXPENDITURE DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
GENERAL AND ADMINISTRATION			
District management and accounting fees	\$ 42,700	\$ 46,780	\$ (4,080)
Administrative costs	3,000	3,001	(1)
Audit fees	8,400	8,500	(100)
Collection fees – County Treasurer	5,300	5,317	(17)
Board of Directors’ fees	4,000	1,400	2,600
Board training and conferences	3,500	-	3,500
Insurance	7,400	6,569	831
Legal fees	15,000	407	14,593
Indirect collection cost allocation	(15,000)	(15,000)	-
Board election expenses	-	-	-
Contingency	3,000	-	3,000
Total General and Administration	<u>\$ 77,300</u>	<u>\$ 56,974</u>	<u>\$ 20,326</u>
LANDSCAPING MAINTENANCE			
Ground maintenance fees	33,000	32,898	102
Tree maintenance & replacement	20,000	-	20,000
Backflow maintenance	1,600	527	1,073
Sprinkler repairs	18,500	6,861	11,639
Sprinklers – water	54,000	17,567	36,433
Sprinklers – electricity	1,800	1,537	263
Landscaping projects	40,000	8,550	31,450
Perimeter fence maintenance	3,000	1,919	1,081
Mounument sign maintenance	4,000	-	4,000
Detention pond maintenance	10,000	19,995	(9,995)
Insurance - property	5,200	1,676	3,524
Miscellaneous landscape costs	3,000	17,907	(14,907)
Total Landscaping Maintenance	<u>\$ 194,100</u>	<u>\$ 109,437</u>	<u>\$ 84,663</u>
OTHER DISTRICT EXPENSES			
Snow removal	20,000	5,664	14,336
Vandalism	2,000	-	2,000
Park and recreation events	15,000	9,223	5,777
Newsletter publication costs	500	-	500
Covenant enforcement services	35,400	38,542	(3,142)
Covenant enforcement - legal fees	500	-	500
Total Other District Expenses	<u>\$ 73,400</u>	<u>\$ 53,429</u>	<u>\$ 19,971</u>

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

AMBER CREEK METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
12-Month Period Ended December 31, 2024

NOTE 1 – DEFINITION OF REPORTING ENTITY

Amber Creek Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 14, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a service plan approved by City of Thornton (City) in August 2005 and amended with City approval in June 2014, February 2016 and August 2017. The District's service area encompasses 332 single family homes, 102 paired homes and a King Soopers retail shopping center - all located in Adams County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the design, acquisition, construction and installation of streets, traffic and safety controls, park and recreation, sanitary sewer, storm drainage and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District was also established to (1) maintain various open spaces within the District (not otherwise owned and maintained by the City), (2) maintain perimeter fencing, and (3) provide covenant enforcement and architectural review services.

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 organizations 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 organizations governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the District are as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all 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.

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

These notes are an integral part of the accompanying financial statements.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

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

Budgets

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

These notes are an integral part of the accompanying financial statements.

Pooled Cash and Investments

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

Investments are carried at fair value.

Property Taxes

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

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

Specific Ownership Taxes

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle's age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the county. In 2024, the District's share of Specific ownership taxes was equal to approximately 4.8% of the property taxes collected.

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

Facility Fees

On September 14, 2006, the District adopted a resolution, pursuant to 32-1-1001(1)(j)(I) CRS, imposing Facilities Fees upon all real property within the District (Facility Fee Resolution). Specifically, a one-time Facility Fee is payable to the District by the owner of each platted lot that is developed within the District. The Facility Fee imposed on each lot is secured by a perpetual lien. On August 25, 2011, the District amended the Facility Fee Resolution. Per the Amended Facility Fee Resolution, the Facility Fee is \$1,000 per single-family home lot, \$900 per multi-family home lot and \$1.25 per square foot for non-residential construction. The Facility Fee is payable to the District upon issuance of a building permit by the City.

These notes are an integral part of the accompanying financial statements.

The District is currently platted for 332 single family home lots (resulting in \$332,000 in Facility Fee revenue), 102 multi-family lots (resulting in \$91,800 in Facility Fee revenue) and 130,920 sqft of commercial building space (resulting in \$163,650 in Facility Fee revenue).

Property Maintenance Fines

Covenant violation fines are assessed, in accordance with the District's covenant enforcement policy, on properties that the District deems to be in violation of the restrictive covenants provided in the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Amber Creek filed with the Adams County Clerk & Recorder's Office on April 27, 2016 at reception number 2016000032086 (the Declaration). Covenant violation fines are recognized as income after the violation has been identified, the homeowner has been notified and the period has expired for the homeowner to request a hearing to dispute the violation. Pursuant to 32-1-1001(1)(j)(I) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien.

Reimbursable Costs

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

Collection Costs

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

Per section 4.06 of the Senior Bonds First Supplemental Indenture of Trust dated August 01, 2023 and section 4.06 of the Subordinate Bonds First Supplemental Indenture of Trust dated August 01, 2023, the District shall not allocate more than \$15,000/year in District-incurred collection costs to the Debt Fund.

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2024 are comprised of property taxes due from Adams County that will not be collected within 60 days

These notes are an integral part of the accompanying financial statements.

of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

Equity

Net Position

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

Fund Balance

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

- **Non-spendable fund balance** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.
- **Restricted fund balance** – The portion of a fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- **Committed fund balance** – The portion of a fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- **Assigned fund balance** – The portion of a fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- **Unassigned fund balance** – The residual portion of a fund balance that does not meet any of the criteria described above.

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

These notes are an integral part of the accompanying financial statements.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments – unrestricted	\$ 111,802
Cash and investments – restricted	2,648,176
Total cash and investments	\$ 2,759,978

Cash and investments as of December 31, 2024 consist of the following:

Deposits with financial institutions	\$ 68,020
Investments	2,691,958
Total cash and investments	\$ 2,759,978

Deposits with Financial Institutions

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

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

At December 31, 2024, the District's cash held at financial institutions had a bank balance of \$61,002 and a carrying balance of \$68,020.

Investments

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

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

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

These notes are an integral part of the accompanying financial statements.

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

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

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

As of December 31, 2024, the District’s investments were comprised of the following:

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 244,218
ColoTrust Plus+ (Colotrult)	Weighted Average Under 60 Days	2,447,741
Total		\$ 2,691,959

CSAFE

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

These notes are an integral part of the accompanying financial statements.

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus finds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. 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. No limitations exist on the District's ability to withdraw funds invested in Colotrust. Colotrust is rated AAAM by Standard & Poor's.

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the 12-month period ended December 31, 2024, follows:

	Balance at Dec. 31, 2023	Additions	Dedications	Balance at Dec. 31, 2024	Accumulated Depreciation
Perimeter fencing	\$ 510,000	\$ -	\$ -	\$ 510,000	\$ 153,000
Landscaping in public open spaces	475,165	-	-	475,165	161,930
Monument signs	52,089	21,645	-	73,734	10,410
Retaining walls	120,000	-	-	120,000	18,000
Governmental activities – Capital assets, net	\$ 1,157,254	\$ 21,645	\$ -	\$ 1,178,899	\$ 343,340

As of December 31, 2024, the District owns and maintains approximately 15.2 acres of public open spaces located across fourteen land tracts within the Amber Creek subdivision. The District has recorded the public land at a nominal value of \$15,200.

Capital assets subject to depreciation consists of the following types of public infrastructure: (1) landscaping installed in various public open spaces throughout the subdivision, (2) storm water detention ponds, (3) monument signs at entry to subdivision and (4) retaining walls on the west side of East 136th Place.

These notes are an integral part of the accompanying financial statements.

NOTE 5 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2024:

	Balance at Dec. 31, 2023	Additions	Retirements	Balance at Dec. 31, 2024	Due within one year
Series 2017A G.O. Bonds	\$ 13,537,000	\$ -	\$ (215,000)	\$ 13,322,000	\$ 225,000
Accrued Interest – Series 2017A G.O. Bonds	61,325	238,400	(238,400)	61,325	-
Series 2017B G.O. Bonds	1,904,000	-	-	1,904,000	-
Accrued Interest – Series 2017B G.O. Bonds	579,277	192,454	-	771,731	-
Total	\$ 16,081,602	\$ 430,854	\$ (453,400)	\$ 16,059,056	\$ 225,000

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

Series 2017A General Obligation Refunding and Improvement Bonds (Senior Bonds)

On October 31, 2017, the District issued Limited Tax (Convertible to Unlimited Tax) G.O. Refunding and Improvement Bonds, Series 2017A in the amount of \$15,090,000. The Senior Bonds were issued as two term bonds that bear interest at 5.000% and 5.125%, and are payable semi-annually on June 1 and December 1, beginning on December 1, 2017. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The Senior Bonds mature on December 1, 2047. In the event any amounts due and owing on the Senior Bonds remain outstanding on December 1, 2057, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The proceeds from the sale of the Senior Bonds were used as follows:

Bond proceeds	\$ 15,090,000
Less:	
Capitalized interest costs	(1,407,161)
Fund the Senior Reserve Fund	(1,193,869)
Underwriter's discount	(301,800)
Legal, accounting and other costs of issuance	(275,251)
Retiring debt obligation and accrued interest under the 2010 Prior Amber Development Obligation	(748,739)
Net bond proceeds available for funding costs of public improvements within and without the District	\$ 11,163,180

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

- a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
- b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy);
- c) all Capital Fees; and
- d) any other legally available amounts that the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

These notes are an integral part of the accompanying financial statements.

Amounts on deposit in the Senior Reserve Fund and, prior to the Conversion Date, amounts on deposit in the Senior Surplus Fund also secure payment of the Senior Bonds. Available Senior Pledged Revenue, if any, is to be accumulated in the Senior Surplus Fund in accordance with the Senior Indenture up to the Maximum Surplus Amount of \$1,509,000. The Senior Reserve Fund was funded with bond proceeds in the amount of \$1,193,869.

PILOT Revenue is derived from a covenant recorded against property that is exempt from ad valorem property taxation, such covenant imposing a payment in lieu of taxes against any portion of the property, and such covenant satisfies other certain conditions provided in the bond offering document. The District does not anticipate the City of Thornton exempting from ad valorem property taxation any property within the District.

Prior to the Conversion Date, Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount. Pursuant to the Senior Indenture, the Senior Surplus Fund will be terminated upon the Conversion Date, if it occurs, and any moneys therein applied to any legal purpose of the District. Under the Subordinate Indenture, any amounts in the Senior Surplus Fund upon termination of such fund are pledged to the payment of the Subordinate Bonds. It is assumed that the Senior Surplus Fund will be drawn upon to meet annual debt service requirements of the Senior Bonds in 2023. The District has acknowledged that State Law places certain restrictions on the use of money derived from the Senior Required Mill Levy.

The Senior Bonds are subject to redemption prior to maturity, at the option of the District on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
December 1, 2024 to November 30, 2025	1.0%	\$ 133,220
December 1, 2025 and thereafter	0.0%	\$ -

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 225,000	677,062	\$ 902,062
2026	255,000	665,812	920,812
2027	265,000	653,062	918,062
2028	300,000	639,812	939,812
2029	315,000	624,812	939,812
2030 to 2034	2,025,000	2,857,810	4,882,810
2035 to 2039	2,433,000	2,314,241	4,747,241
2040 to 2044	3,990,000	1,539,551	5,529,551
2045 to 2047	3,514,000	389,860	3,903,860
Total	\$ 13,322,000	\$ 10,362,022	\$ 23,684,022

The District's detail debt service schedule for its Senior Bonds is provided on page 27.

These notes are an integral part of the accompanying financial statements.

Series 2017B Subordinate Limited Tax G.O. Bonds (Subordinate Bonds)

On October 31, 2017, the District issued Subordinate Limited Tax G.O. Bonds, Series 2017B in the amount of \$2,060,000. The Subordinate Bonds were issued at the rate of 7.75% per annum and are payable annually on December 15, beginning December 15, 2017, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2047. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. In the event any amounts due and owing on the Subordinate Bonds remain outstanding on December 15, 2057, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The proceeds from the sale of the Subordinate Bonds were used as follows:

Bond proceeds	\$ 2,060,000
Less:	
Underwriter's discount	(61,800)
Net bond proceeds available for funding costs of public improvements within and without the District	\$ 1,998,200

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes:

- a) all Subordinate Property Taxes (generated by the imposition of the Subordinate Required Mill Levy);
- b) all Subordinate Specific Ownership Taxes (attributable to the Subordinate Required Mill Levy);
- c) all Subordinate Capital Fee Revenue (meaning any Capital Fee Revenue remaining after deduction of any amounts applied to the payment of the Senior Bonds);
- d) all Subordinate PILOT Revenues (if any);
- e) any amounts in the Senior Surplus Fund upon the termination of such fund pursuant to the terms of the Senior Indenture; and
- f) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Under the Subordinate Indenture, any amounts in the Senior Surplus Fund (which is funded up to the Maximum Amount) upon termination of such fund are pledged to the payment of the Subordinate Bonds.

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District on December 15, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
December 15, 2024 to December 14, 2025	1.0%	\$ 19,040
December 15, 2025 and thereafter	0.0%	\$ -

These notes are an integral part of the accompanying financial statements.

Events of Default – Series 2017 Senior and Subordinate Bonds

The following events are considered events of default under the 2017 Senior and Subordinate bond indentures of trust: (1) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture of Trust, (2) on and after the Unlimited Tax Receipt Date, the District fails to pay the principal of, premium if any, or interest on the Bonds when due, (3) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof is provided to the District by the Trustee or Bond Owners or (4) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds. Failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default if the District has levied the Required Mill Levy, complied with all covenants and conditions of the Indenture of Trust and remitted all Pledged Revenues to the Trustee. Available remedies for an Event of Default are (1) placing the district in receivership, (2) Trustee initiating a lawsuit against the District and (3) compelling the District to cure the default via mandamus or any other suit, action, or proceeding at law or in equity. Acceleration of the repayment of the Bonds is not an available remedy for an Event of Default.

Debt Authorization

Debt Authorization – Service Plan

The District's Third Amended and Restated Service Plan, which was approved by the City of Thornton on August 22, 2017, authorizes the District to issue up to \$20 million in debt over a term not to exceed 40 years. The repayment of the District's debt can exceed 40 years if the majority of the District's Board are residents of the District and the District's Board has voted in favor of refunding a part or all of the District's debt (which must result in a net present value savings).

The District's Third Amended and Restated Service Plan also establishes a Maximum Mill levy the District is permitted to impose on taxable property within the District for the payment of debt. As long as the District's total outstanding debt exceeds 50% of the assessed valuation of all taxable property within the District, the Maximum Debt Mill Levy is 50 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since January 1, 2005. As of January 1, 2005, the ratio was 7.96%. The ratio for 2024 was 6.70%, which caused the District's Maximum Mill Levy for debt service for 2024 to be 59.403.

As of December 31, 2024, total remaining debt issuance authorization under the District's Third Amended and Restated Service Plan is as follows:

Authorized maximum debt issuance per Service Plan	\$ 20,000,000
Less:	
2010 Reimbursement Agreement w. Prior Developer	(500,000)
2017A Senior Bonds	(15,090,000)
2017B Subordinate Bonds	(2,060,000)
2017C Junior Lien Bonds	(1,752,000)
Unused, authorized debt issuance as of Dec. 31, 2024	\$ 598,000

These notes are an integral part of the accompanying financial statements.

Debt Authorization – TABOR

On November 1, 2005, the District's authorized the issuance of indebtedness in an amount not to exceed \$8,000,000 for infrastructure improvements and operations at an interest rate not to exceed 18% and \$8,000,000 for refunding the District's debt. On November 5, 2013, the District's electors authorized the issuance of additional indebtedness in an amount not to exceed \$33,825,000 for infrastructure improvements and operations at an interest rate not to exceed 18% and \$33,825,000 for refunding the District's debt.

The District's authorized but unissued indebtedness in the following amounts allocated for the following purposes is as follows:

	Authorized Nov. 2005 Election	Authorized Nov. 2013 Election	Total Voter- Authorized Debt
Street improvements	\$ 4,620,000	\$ 12,100,000	\$ 16,720,000
Park and recreational facilities	2,079,000	6,650,000	8,729,000
Sanitary supply	-	6,675,000	6,675,000
Water supply	1,001,000	5,650,000	6,651,000
Public transportation system	-	1,000,000	1,000,000
Intergovernmental agreements	-	1,000,000	1,000,000
Operations and maintenance	300,000	500,000	800,000
Traffic and safety controls	-	100,000	100,000
Television relay and translation system	-	100,000	100,000
Mosquito control	-	50,000	50,000
Subtotal	8,000,000	33,825,000	41,825,000
Refunding of debt	8,000,000	33,825,000	41,825,000
Total	\$ 16,000,000	\$ 67,650,000	\$ 83,650,000

	2010 Prior Developer Obligation	Series 2017 Bonds	Authorization Remaining at Dec. 31, 2024
Street improvements	\$ 487,968	\$ 10,766,579	\$ 5,465,453
Park and recreational facilities	9,785	4,617,759	4,101,456
Sanitary supply	-	1,559,415	5,115,585
Water supply	2,247	1,912,882	4,735,871
Public transportation system	-	-	1,000,000
Intergovernmental agreements	-	-	1,000,000
Operations and maintenance	-	-	800,000
Traffic and safety controls	-	45,365	54,635
Television relay and translation system	-	-	100,000
Mosquito control	-	-	50,000
Subtotal	500,000	18,902,000	22,423,000
Refunding of debt	-	-	41,825,000
Total	\$ 500,000	\$ 18,902,000	\$ 64,248,000

These notes are an integral part of the accompanying financial statements.

Per C.R.S 32-1-1101(2), the remaining, unused debt issuance authorization obtained from the District's electors will expire as follows:

- \$8,300,000 will expire in November 2025 - 20 years after the original debt authorization election.
- \$55,948,000 will expire in November 2033 - 20 years after the original debt authorization election.

NOTE 6 – NET POSITION (DEFICIT)

Restricted Net Position

The District's restricted net position as of December 31, 2024 in the general fund, debt service fund and capital projects fund totaled \$10,400, \$2,441,773 and \$200,680, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 13 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2021 Bonds. The restricted net position within the capital project fund is comprised of funds restricted for funding the construction and major repairs of public infrastructure.

Non-Spendable Net Position

The District's non-spendable net position as of December 31, 2024 in the general fund, debt service fund and capital project fund totaled \$16,480, \$0, and \$0, respectively. These balances were created due to the District prepaying certain 2025 expenses in 2024.

Unassigned Net Position

The District's unassigned net position as of December 31, 2024 totaled (\$15,068,754). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to the City of Thornton.

NOTE 7 – RELATED PARTIES

For the 12-month period ended December 31, 2024, all five directors serving on the District's board reported no conflicts of interest arising from their service on the District's board.

NOTE 8 – RISK MANAGEMENT

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

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

These notes are an integral part of the accompanying financial statements.

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

NOTE 9 – TAX, SPENDING AND DEBT LIMITATIONS

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

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

On November 5, 2013, District voters authorized the District to assess property taxes at no more than \$500,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

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

TABOR is complex and subject to legal interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

SUPPLEMENTARY INFORMATION

**AMBER CREEK METROPOLITAN DISTRICT
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	\$ 1,243,800	\$ 1,253,860	\$ 10,060
Specific ownership taxes	80,800	60,730	(20,070)
Net investment income	150,000	130,475	(19,525)
Total Revenues	1,474,600	1,445,065	(29,535)
EXPENDITURES			
Direct and indirect collection costs	70,000	79,083	(9,083)
Litigation expenses	-	9,214	(9,214)
Debt service			
Interest - Series 2017A Bonds	687,900	687,816	84
Principal - Series 2017A Bonds	215,000	215,000	-
Interest - Series 2017B Bonds	173,900	-	173,900
Total Expenditures	1,146,800	991,113	155,687
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	327,800	453,952	126,152
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	327,800	453,952	126,152
FUND BALANCE – BEGINNING	2,375,100	1,987,821	(387,279)
FUND BALANCE – END OF YEAR	\$ 2,702,900	\$ 2,441,773	\$ (261,127)

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

**AMBER CREEK METROPOLITAN DISTRICT
DEBT SERVICE FUND
COLLECTION COST DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
DIRECT AND INDIRECT COLLECTION COSTS			
Collection fees – County Treasurer	\$ 18,700	\$ 18,809	\$ (109)
Indirect collection cost allocation	15,000	15,000	-
Legal fees	-	-	-
Bond paying agent fees	8,000	6,000	2,000
Receiver fees	25,000	39,274	(14,274)
Miscellaneous	3,300	-	3,300
Total Direct and Indirect Collection Costs	\$ 70,000	\$ 79,083	\$ (9,083)

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

**AMBER CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2024**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Net investment income	\$ 1,100	\$ 2,398	\$ 1,298
Facility fee revenue	-	-	-
Total Revenues	1,100	2,398	1,298
EXPENDITURES			
General and administrative fees	-	-	-
Capital projects			
Major capital projects	75,000	21,645	53,355
Total Expenditures	75,000	21,645	53,355
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(73,900)	(19,247)	54,653
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	-	41,441	41,441
Total Other Financing Sources (Uses)	-	41,441	41,441
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES	(73,900)	22,194	96,094
FUND BALANCE – BEGINNING OF YEAR	356,700	178,486	(178,214)
FUND BALANCE – END OF YEAR	\$ 282,800	\$ 200,680	\$ (82,120)

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

AMBER CREEK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2024

The District's repayment schedule for its Series 2017A general obligation bonds is as follows:

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2025	\$ 225,000	\$ 677,062	5.00% – 5.125%	\$ 902,062
2026	255,000	665,812	5.00% – 5.125%	920,812
2027	265,000	653,062	5.00% – 5.125%	918,062
2028	300,000	639,812	5.00% – 5.125%	939,812
2029	315,000	624,812	5.00% – 5.125%	939,812
2030	350,000	609,062	5.00% – 5.125%	959,062
2031	370,000	591,562	5.00% – 5.125%	961,562
2032	405,000	573,062	5.00% – 5.125%	978,062
2033	430,000	552,812	5.00% – 5.125%	982,812
2034	470,000	531,312	5.00% – 5.125%	1,001,312
2035	495,000	507,812	5.00% – 5.125%	1,002,812
2036	540,000	483,062	5.00% – 5.125%	1,023,062
2037	133,000	456,062	5.00% – 5.125%	589,062
2038	615,000	449,412	5.125%	1,064,412
2039	650,000	417,893	5.125%	1,067,893
2040	705,000	384,580	5.125%	1,089,580
2041	740,000	348,449	5.125%	1,088,449
2042	800,000	310,524	5.125%	1,110,524
2043	840,000	269,524	5.125%	1,109,524
2044	905,000	226,474	5.125%	1,131,474
2045	955,000	180,093	5.125%	1,135,093
2046	1,025,000	131,149	5.125%	1,156,149
2047	1,534,000	78,618	5.125%	1,612,618
	<u>\$13,322,000</u>	<u>\$10,362,022</u>		<u>\$ 23,684,022</u>

The original face value of these bonds totaled \$15,090,000. Interest is payable each year on June 1st and December 1st, and principal payments are due each year on December 1st. Beginning December 1, 2023, the District may redeem the Series 2017A outstanding bond balance at any time subject to a redemption premium payable the bond holders that is equal to between 1% and 3% of the redeemed principal. Beginning December 1, 2025, the District may redeem the Series 2017A outstanding bond balance at any time without paying any redemption premium to the bond holders.

No debt-to-maturity schedule is provided for the Series 2017B Subordinate Bonds because such obligations are payable from subordinate pledged revenue, if and when such revenue is available to repay these bonds.

AMBER CREEK METROPOLITAN DISTRICT
**SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED**
December 31, 2024

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2017	\$ 937,220	55.625	4.375	\$ 56,234	\$ 52,134	92.7%
2018	4,450,140	18.401	53.606	320,441	320,511	100.0%
2019	7,312,240	18.401	53.606	526,533	526,538	100.0%
2020	10,335,050	20.222	55.849	786,200	793,754	101.0%
2021	12,146,000	17.208	55.664	885,100	883,415	99.8%
2023	13,244,550	15.780	55.664	946,200	947,213	100.1%
2023	15,587,940	17.257	57.266	1,161,700	1,163,472	100.2%
2024	21,426,360	16.410	58.051	1,595,400	1,608,304	100.8%
2025	24,108,510	14.584	61.482	1,833,900	[TBD]	[TBD]

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

OTHER SUPPLEMENTARY INFORMATION

AMBER CREEK METROPOLITAN DISTRICT
CHANGE IN TOTAL OVERLAPPING MILL LEVY
 December 31, 2024

	2023 Mill Levy *	2024 Mill Levy **	Change
Amber Creek Metropolitan District	74.461	76.066	1.605
Brighton School District No. 27J	56.290	56.644	0.354
Adams County	26.835	26.944	0.109
City of Thornton	10.210	10.210	-
Rangeview Library District	3.653	3.667	0.014
Urban Drainage and Flood Control	0.900	0.900	-
Urban Drainage and Flood Control – South Platte	0.100	0.100	-
Total Mill Levy	172.449	174.531	2.082

* -- For property tax collections in 2024

** -- For property tax collections in 2025

AMBER CREEK METROPOLITAN DISTRICT
HISTORICAL DEBT RATIOS
 December 31, 2024

	2020	2021	2022	2023	2024
General Obligation Bonds	\$ 17,578,000	\$ 17,578,000	\$ 17,428,000	\$15,441,000	\$15,226,000
Accrued, unpaid interest - Bonds	\$ 1,225,506	\$ 1,651,292	\$ 2,226,829	\$ 640,602	\$ 833,057
Restricted cash in debt fund	(\$1,546,952)	(\$1,269,594)	(\$ 835,191)	(\$ 2,001,079)	(\$ 2,437,096)
Combined assessed property values within the District	\$12,146,000	\$13,244,550	\$15,587,940	\$21,426,360	\$24,108,510
Ratio of debt to assessed property values	142.1%	135.6%	120.7%	65.7%	56.5%