

**AEROTROPOLIS AREA  
COORDINATING METROPOLITAN DISTRICT  
Adams County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2024**

<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>I</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENTS OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>6</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>24</b>

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Aerotropolis Area Coordinating Metropolitan District  
Adams County, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Aerotropolis Area Coordinating 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 the District as of December 31, 2024, and the respective changes in financial position thereof, 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 Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are 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. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Matters**

#### *Economic Dependency*

As disclosed in Note 9 of the financial statements, the District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, the District may be dependent upon The Aurora Highlands Community Authority Board for funding of continued operations.

*Fiscal Focus Partners, LLC*

Arvada, Colorado  
September 17, 2025

## **BASIC FINANCIAL STATEMENTS**

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments - Restricted	\$ 13,355,022
Accounts Receivable - ARTA	3,669,464
Due from CAB	17,514,673
Due from CAB - ARTA AF	1,453,108
Escrow Deposit held by COA	586,000
Prepaid Insurance	450
Prepaid Expenses	100,000
Capital Assets:	
Capital Assets Not Being Depreciated	5,102,352
Capital Assets Net of Depreciation	26,007
Total Assets	41,807,076
<b>LIABILITIES</b>	
Accounts Payable	4,524,594
Retainage Payable	1,752,572
Due to CAB	477,500
Accrued Liabilities	7,995,951
Total Liabilities	14,750,617
<b>NET POSITION</b>	
Net Investment in Capital Assets	26,007
Restricted for:	
Capital Projects	27,030,452
Total Net Position	\$ 27,056,459

See accompanying Notes to Basic Financial Statements.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 308,685	\$ -	\$ -	\$ 101,979,667	\$ 101,670,982
Total Governmental Activities	<u>\$ 308,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,979,667</u>	<u>101,670,982</u>
 <b>GENERAL REVENUES</b>					
				33,782	
				71,982	
				<u>105,764</u>	
 <b>SPECIAL ITEMS</b>					
				(70,936,593)	
				(8,234,179)	
				<u>(79,170,772)</u>	
 <b>CHANGES IN NET POSITION</b>					
				22,605,974	
				4,450,485	
				<u>4,450,485</u>	
 <b>NET POSITION - END OF YEAR</b>					
				<u>\$ 27,056,459</u>	

See accompanying Notes to Basic Financial Statements.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>		
Cash and Investments - Restricted	\$ 13,355,022	\$ 13,355,022
Accounts Receivable - ARTA	3,669,464	3,669,464
Due from CAB	17,514,673	17,514,673
Due from CAB - ARTA AF	1,453,108	1,453,108
Escrow Deposit held by COA	586,000	586,000
Prepaid Insurance	450	450
Prepaid Expenses	<u>100,000</u>	<u>100,000</u>
Total Assets	<u>\$ 36,678,717</u>	<u>\$ 36,678,717</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 4,524,594	\$ 4,524,594
Retainage Payable	1,752,572	1,752,572
Due to CAB	477,500	477,500
Accrued Liabilities	<u>7,995,951</u>	<u>7,995,951</u>
Total Liabilities	14,750,617	14,750,617
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid Expenses and Deposits	686,450	686,450
Restricted for:		
Capital Projects	<u>21,241,650</u>	<u>21,241,650</u>
Total Fund Balances	<u>21,928,100</u>	<u>21,928,100</u>
Total Liabilities and Fund Balances	<u>\$ 36,678,717</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.		<u>5,128,359</u>
Net Position of Governmental Activities		<u>\$ 27,056,459</u>

See accompanying Notes to Basic Financial Statements.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Capital Projects	Total Governmental Funds
<b>REVENUES</b>		
Interest Income	\$ 33,782	\$ 33,782
Intergovernmental Revenue - CAB Developer Costs	1,846,592	1,846,592
Intergovernmental Revenue - ARTA	9,234,237	9,234,237
Intergovernmental Revenue - ARTA AF	33,988,279	33,988,279
Intergovernmental Revenue - CAB AF ATEC Spine	4,948,806	4,948,806
Intergovernmental Revenue - CAB Construction	51,961,753	51,961,753
Other Revenue	71,982	71,982
Total Revenues	102,085,431	102,085,431
<b>EXPENDITURES</b>		
Current:		
Insurance	39,910	39,910
Legal	182,098	182,098
Miscellaneous	19,216	19,216
Pest Control	1,416	1,416
Bond Issue Costs	7,500	7,500
Construction Trailer Expenses	46,898	46,898
Operations and Maintenance	5,371	5,371
Capital Projects:		
Capital Outlay - Other	22,635,852	22,635,852
Capital Outlay - Construction in Process	56,534,920	56,534,920
Total Expenditures	79,473,181	79,473,181
<b>NET CHANGE IN FUND BALANCES</b>	22,612,250	22,612,250
Fund Balances - Beginning of Year	(684,150)	(684,150)
<b>FUND BALANCES - END OF YEAR</b>	\$ 21,928,100	\$ 21,928,100

See accompanying Notes to Basic Financial Statements.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 22,612,250

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	79,170,772
Dedication of Capital Assets to Other Governments	(79,170,772)
Depreciation Expense	<u>(6,276)</u>

Changes in Net Position of Governmental Activities \$ 22,605,974

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Aerotropolis Area Coordinating Metropolitan District (District), formerly known as Green Valley Ranch East Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court in and for Adams County, Colorado on December 7, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under its Second Amended and Restated Service Plan approved by the City of Aurora (City) on February 28, 2022 (Service Plan). The District's service area is located in Adams County, Colorado, entirely within the City. The District was formed in conjunction with seven other metropolitan districts: The Aurora Highlands Metropolitan District Nos. 1-3 (formerly known as Green Valley Ranch East Metropolitan District Nos. 2-4) (TAH 1-3), Green Valley Aurora Metropolitan District No. 1 (formerly known as Green Valley Ranch East Metropolitan District No. 5) (GVA), and Green Valley Ranch East Metropolitan District Nos. 6-8 (the GVRE Districts).

As set forth in the District's Service Plan, the primary purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop, and finance the Public Improvements (as defined in the Service Plan). The District's Service Plan does not authorize the District to provide fire protection, television relay and translation services, or golf course construction unless the District enters into an intergovernmental agreement with the City. The District is authorized to provide for the funding of Regional Improvements pursuant to the Aerotropolis Regional Transportation Authority (ARTA) Establishing Agreement (as supplemented) or the Regional Intergovernmental Improvements Agreement described in the Service Plan and Note 6. Except for park and recreational facilities, the operation and maintenance of most District services and facilities is anticipated to be provided by other Special Districts, the City, or ARTA.

On November 21, 2019, the District, TAH Nos. 1-3, and ATEC Metropolitan District Nos. 1-2 (ATEC Nos. 1-2) formed The Aurora Highlands Community Authority Board (CAB) pursuant to the CAB Establishment Agreement (as amended and restated) to govern the manner of the financing, construction, and operation of public improvements within their combined service area. In 2022, The Aurora Highlands Metropolitan District Nos. 4-6 (together with TAH Nos. 1-3 and ATEC Nos. 1-2, the CAB Districts) adopted the CAB Establishment Agreement, as amended and restated, and become CAB Districts. One or more of the CAB Districts may enter into additional intergovernmental agreements concerning the financing, construction, and operation of public improvements benefitting the CAB Districts and their residents and owners.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)**

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

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and inter-governmental 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 of resources and the sum of liabilities and deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which the direct 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.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. There was no activity in the General Fund during 2024 and, therefore, no general fund presentation is included in the financial statements.

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

**Budgets**

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

**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.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets, which include property and infrastructure improvements, are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Any construction in process that will be dedicated to another entity is not depreciated.

Depreciation expense has been computed using the straight-line method over the following estimated useful lives:

Construction Trailer	10 Years
Furniture and Equipment	5 Years

**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.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

Fund Balance (Continued)

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

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

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

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

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Position:

Cash and Investments - Restricted	\$ 13,355,022
Total Cash and Investments	<u><u>\$ 13,355,022</u></u>

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

Deposits with Financial Institutions	\$ 259,068
Investments	13,095,954
Total Cash and Investments	<u><u>\$ 13,355,022</u></u>

**Deposits with Financial Institutions**

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

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits with Financial Institutions (Continued)**

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

On December 31, 2024, the District's cash deposits had a bank balance of \$1,680,804 and a carrying balance of \$259,068.

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

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

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

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

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of December 31, 2024, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 13,095,954
		\$ 13,095,954

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), 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 the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$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, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress - CAB	\$ -	\$ 65,271,358	\$ 65,271,358	\$ -
Construction in Progress - ARTA	5,102,352	8,234,179	8,234,179	5,102,352
Construction in Progress - Developer Portion	-	217,999	217,999	-
Construction in Progress - ATEC Spine	-	5,447,236	5,447,236	-
Total Capital Assets, Not Being Depreciated	5,102,352	79,170,772	79,170,772	5,102,352
Capital Assets, Being Depreciated:				
Construction Trailer	57,792	-	-	57,792
Construction Trailer Furniture	4,957	-	-	4,957
Total Capital Assets, Being Depreciated	62,749	-	-	62,749
Less Accumulated Depreciation for:				
Accumulated Depreciation - Construction Trailer	26,006	5,779	-	31,785
Accumulated Depreciation - Construction Trailer Furniture	4,460	497	-	4,957
Total Accumulated Depreciation	30,466	6,276	-	36,742
Total Capital Assets, Being Depreciated, Net	32,283	(6,276)	-	26,007
Governmental Activities Capital Assets, Net	\$ 5,134,635	\$ 79,164,496	\$ 79,170,772	\$ 5,128,359

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

General Government	\$ 6,276
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The District acts as Project Manager to the CAB per a Project Management Intergovernmental Agreement (CAB Project Management IGA), described in Note 6. In accordance with the CAB Project Management IGA, all construction in progress benefitting the CAB Districts was transferred to the CAB during 2024. The CAB shall own, operate, and maintain all public improvements unless and until such public improvements are dedicated to the City or other appropriate governmental entity for perpetual ownership and maintenance.

The District also acts as Project Manager to ARTA per an Intergovernmental Agreement Regarding Project Management of the Design and Construction of the Aerotropolis Regional Transportation Authority Regional Transportation System. See Note 6.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS**

The District had no long-term obligations for the year ended December 31, 2024.

**CAB Bonds**

On June 30, 2020, the CAB issued Special Tax Revenue Draw-Down Bonds, Series 2020A (2020A Bonds) with a par amount of \$165,159,327 and Subordinate Special Tax Revenue Draw-Down Bonds, Series 2020B (2020B Bonds, collectively with the 2020A Bonds, the 2020 Bonds) with a par amount of \$32,338,830 and a final maturity of December 15, 2059.

The 2020A Bonds bore interest at the rate of 8% per annum which is payable from available pledged revenues on each December 15, beginning in 2020. The principal on the 2020A Bonds was payable at final maturity or upon optional redemption. The 2020B Bonds bore interest at the rate of 9% per annum which was payable on each December 15, beginning in 2020, to the extent that pledged revenue was available after payments due on the 2020A Bonds were satisfied.

On December 22, 2021, the CAB issued Special Tax Revenue Refunding and Improvement Bonds, Series 2021A (2021A Bonds) in the amount of \$297,464,000 and Subordinate Special Tax Revenue Draw Down Bonds, Series 2021B (2021B Bonds) with an estimated par amount of \$70,000,000. The 2021A Bonds were issued to refund the 2020A and 2020B bonds, to pay project costs and certain costs incurred in connection with the issuance of the 2021A Bonds.

The 2021A Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Instead, principal is payable on each December 1 from and to the extent of Pledged Revenue, if any, pursuant to a mandatory redemption. To the extent principal of any Bond is not paid when due, such principal is to remain outstanding until the earlier of its payment or the Termination Date and is to continue to bear interest at the rate then borne by the Bond.

Pledged revenue for the interest and principal payments on the 2021A Bonds will come from the required debt service mill levies, associated specific ownership taxes, capital fees, and payments in lieu of tax revenues (PILOT) of the District, TAH Nos. 1-3 and ATEC No. 2.

The 2021A Bonds bear interest at 5.75% per annum and mature on December 1, 2051. To the extent interest on any Bond is not paid when due, such unpaid interest shall compound annually on each December 1, at the interest rate then borne by the Bond.

The 2021B Bonds constitute draw down obligations of the CAB, and the principal amount thereof at issuance was zero. The 2021B Bonds bear interest at a variable rate reset annually on each anniversary of the Initial Draw Date. The interest rate is the Municipal Market Data (MMD) BBB, 30-year index on the Annual Interest Reset Date plus 5.0%, with a maximum interest rate of 9.0% per annum. The 2021B Bonds are payable to the extent of Subordinate Pledged Revenue available on December 15 of each year, commencing on December 15 of the first year in which no Series 2021A Senior Bond is outstanding, and mature on December 15, 2061.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**CAB Bonds (Continued)**

Pledged revenue for the interest and principal payments on the 2021B Bonds are a subordinate lien on the pledged revenues of 2021A Bonds.

The District has pledged revenue for interest and principal payments on the 2021A Bonds pursuant to the District's Revenue Pledge Agreement dated December 22, 2021 (Pledge Agreement). The Pledge Agreement requires the District to impose a debt service mill levy after the date that the assessed valuation of the District is equal to or greater than \$10,000,000. The District's debt service mill levy will be determined under the pledge Agreement based upon whether the property within the District's boundaries developed for residential, non-residential, or high-density residential uses. Pledged revenue for the interest and principal payments on the 2021B Bonds are a subordinate lien on the pledged revenues of the 2021A Bonds.

Dated December 20, 2024, the CAB entered in the First Amendment to Indenture of Trust (2021B) related to the 2021B Bond to extend the draw period therein.

On December 21, 2022, the CAB issued Subordinate Special Tax Revenue Bonds Series 2022B (2022B Bonds) in the amount of \$63,000,000 with final maturity of December 15, 2060.

The 2022B Bonds bear interest at 10.50% per annum, payable annually to the extent of Subordinate Pledged Revenue available on each December 15, commencing on December 15, 2023. To the extent interest on any 2022B Bond is not paid when due, such unpaid interest shall compound annually on each December 15, at the interest rate then borne by the 2022B Bonds.

The 2022B Bonds are allocated to the voted debt authorization of ATEC No. 1 and are structured as "cash flow" bonds, meaning that there are no scheduled payments of principal or interest prior to the Maturity Date. Instead, principal is payable on each December 15, beginning on December 15, 2023, from and to the extent of available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption.

The 2022B Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, which means the moneys derived from the following sources, net of any costs of collection: (a) the Subordinate ATEC No. 1 Debt Service Revenues; and (b) any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

On August 28, 2023, the CAB issued Special Tax Revenue Convertible Capital Appreciation Bonds Series 2023A (2023A Bonds) in the principal amount of \$25,740,291, and a value on the interest conversion date of \$35,575,000 with final maturity of December 1, 2053.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**CAB Bonds (Continued)**

The 2023A Bonds bear interest at 7.750% per annum, payable semiannually to the extent of Net Senior Pledged Revenue available on each June 1 and December 1, beginning on June 1, 2028. The 2023A Bonds automatically convert to current interest bonds on December 1, 2027. Annual principal payments are due on December 1 of each year beginning December 1, 2032. Beginning December 1, 2027, to the extent principal and interest accrued on any 2023A Bond is not paid when due, such unpaid principal shall remain outstanding and unpaid interest shall compound semiannually on each interest payment date at the then-current rate borne by the 2023A Bonds.

The 2023A Bonds are allocated to the voted debt authorization of ATEC No. 1 and secured by and payable solely from and to the extent of Senior Pledged Revenues, which means the moneys derived from the following sources, net of any costs of collection: (a) the ATEC No. 1 Debt Service Revenues; and (b) any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

In 2024, pursuant to the CAB Establishment Agreement and the Project IGA (Note 6) the CAB transferred \$58,757,151 to the District to fund current capital expenditures that includes \$32,831,029 of funding from 2022B Bonds and \$21,691,608 from 2023A Bonds.

**Authorized Debt**

The limit on the District's ability to issue Debt is set forth in its Service Plan as \$8,000,000,000 (the "Service Plan Debt Issuance Limit").

On November 7, 2017, District electors voted to authorize debt issuance by power (such as water, sewer, or streets). This election supersedes all prior elections. As the actual costs of construction were not known it was not possible at the time of the election to allocate the Service Plan Debt Issuance Limit by power. Therefore, the Service Plan Debt Issuance Limit was voted in every power resulting in the District having voter authorization in excess of the Service Plan Debt Issuance Limit. However, in no event is the District authorized to issue Debt, or pledge its debt service revenues to the CAB, in excess of the Service Plan Debt Issuance Limit.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 AGREEMENTS**

**Intergovernmental Agreement with Aurora**

The District and the City are parties to an Intergovernmental Agreement dated October 30, 2017, (subsequently amended by the Amended and Restated Intergovernmental Agreement dated April 21, 2022) (City IGA) pursuant to the requirements of the Service Plan. Under the City IGA, the District covenants to dedicate public improvements to the City or other appropriate jurisdiction, and covenants that all improvements will be constructed in compliance with the City's standards and specifications. The City IGA states that the District is authorized to operate and maintain improvements that are not dedicated to the City or another entity. Pursuant to the District's Service Plan and the Intergovernmental Agreement Regarding Imposition, Collection, and Transfer of ARI Mill Levies by and between the District and ARTA dated May 22, 2019 (ARI Mill Levy IGA), the District is required to impose a mill levy for Aurora Regional Improvements (ARI Mill Levy) in each year the District imposes a debt service mill levy.

Tax revenues derived from the ARI Mill Levy (which shall be five (5.00) mills, plus Gallagher Adjustment, minus any ARTA Mill Levy) from property located within the ARTA boundaries shall be remitted to ARTA for payment of the costs associated with the planning, design, permitting, construction, acquisition, and financing of the regional transportation system improvements described in the ARI Master Plan. The District shall cease to be obligated to impose the ARI Mill Levy at such time as the area within the District's boundaries is included within a different district organized under the Special District Act, a Business Improvement District, or a General Improvement District which has been organized to fund a part or all of the Regional Improvements.

**Aerotropolis Regional Transportation Authority Agreements**

On February 27, 2018, Adams County Board of Commissioners (County), the City and the District entered into an Intergovernmental Agreement Establishing ARTA (as supplemented by the First Supplement dated July 19, 2021). On November 19, 2024, the parties entered into the Second Supplement to the Intergovernmental Agreement Establishing ARTA. The purpose of ARTA is to construct or cause to have constructed a Regional Transportation System within or outside the boundaries of ARTA for the primary benefit of those residing or owning property within the boundaries through the issuance on bonded indebtedness. The Regional Transportation System improvements will be conveyed to the appropriate governing jurisdiction, regardless of whether such jurisdiction is a member of ARTA, for ownership, operation, maintenance, repair, and replacement. On November 7, 2017, eligible voters within ARTA authorized the incurrence of general obligation debt totaling \$600,000,000 at an interest rate not to exceed 9% per annum for funding the Regional Transportation System improvements. Sources of revenue from within the boundaries of ARTA for the repayment of the bonded indebtedness include: (1) City – 100% of City Use Tax on construction materials less 0.25% dedicated to increasing staffing of the City police department and operation and maintenance of the City detention facilities and 100% of a City Transportation Impact Fee for residential development; (2) County – 50% of County General Fund Property Tax and 100% of County Road and Bridge Fund Tax; and (3) District – 100% of a mill levy of 5.000 mills on all taxable real property through the imposition of an ARTA Mill Levy, imposed either by the District or by ARTA. The ARTA Mill Levy will replace the ARI Mill Levy to the extent that the ARTA Mill Levy is not less than 5.000 mills (as adjusted by the Gallagher Adjustment) in any tax collection year.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Project Management Intergovernmental Agreements**

On May 22, 2019, the District and ARTA entered into an Intergovernmental Agreement Regarding Project Management of the Design and Construction of the ARTA Regional Transportation System, as discussed above in the Aerotropolis Regional Transportation Authority Agreements.

On April 10, 2020, the District entered into a Project Management Intergovernmental Agreement (Project IGA) with the CAB. Pursuant to the Project IGA, the District shall provide project management services for public improvements to be owned, operated, and maintained by the CAB. The District shall coordinate, administer, and oversee: (1) the preparation of all budgets, schedules, contracts, and other documents pertaining to the public improvements; and (2) the planning, design, engineering, testing, construction, and installation for the public improvements. The District has engaged and will continue to engage engineers, surveyors, and other consultants and construction contractors as reasonably necessary to complete the public improvements.

On May 22, 2019, the District and ARTA entered into the Intergovernmental Agreement Regarding Management of the Design and Construction of the Aerotropolis Regional Transportation Authority Regional Transportation System (Project Management IGA), and the Intergovernmental Agreement Regarding Interim Maintenance of Aerotropolis Regional Transportation Authority Regional Transportation System Improvements (Interim Maintenance IGA). The Project Management IGA obligates the District to coordinate, administer, and oversee (i) the preparation of all budgets, schedules, contracts, and other documents pertaining to; and (ii) to design and construct the development of ARTA regional transportation system improvements. No more frequently than once a month, the District may submit a draw request to ARTA for payment of the verified costs incurred in performance of the District's obligations under the Project Management IGA. The District will operate and maintain the ARTA regional transportation system improvements and certain other ancillary, connective improvements prior to final acceptance by the City or other appropriate accepting jurisdiction pursuant to the Project Management IGA, and the costs associated with such interim maintenance are to be reimbursed by ARTA to the District.

On August 12, 2020, the District and ARTA entered into the Intergovernmental Agreement Regarding Design and Construction of the Aurora Highlands Parkway, as amended on July 28, 2021 (TAH Parkway IGA). Per the TAH Parkway IGA, the District agrees that it will advance on ARTA's behalf any and all funds reasonably necessary to plan, design and construct the Aurora Highlands Parkway Improvements (TAH Improvements) beyond the Available TAH Parkway Funds (as defined in the TAH Parkway Agreement). The District will plan, design, and construct the TAH Improvements consistent with the provisions of the Project Management IGA. The parties agree that in order to maintain consistency with estimated and allocated costs as set forth in the Capital Plan, 58% of all costs actually incurred to complete the TAH Improvements are allocated to the District and 42% are allocated to ARTA.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Project Management Intergovernmental Agreements (continued)**

On October 7, 2021, ARTA issued additional bonds, Series 2021 Bonds, in part in order to reimburse the District for the TAH Parkway Advances. Upon issuance of the 2021 Bonds, ARTA repaid the amount owing to the District plus accrued interest as of October 7, 2021 in the total amount of \$8,336,246.

**ARI Mill Levy Intergovernmental Agreements**

The District is a party to four Intergovernmental Agreements Regarding Imposition, Collection, and Transfer of ARI Mill Levies with (i) ARTA (dated May 22, 2019), (ii) ARTA and TAH Nos. 1-3, (iii) ARTA and ATEC Nos. 1-2, and (iv) ARTA and the GVRE Districts (ARI Mill Levy IGAs) (ARI Mill Levy IGAs (ii) through (iv) are dated October 12, 2021). Pursuant to the ARI Mill Levy IGAs, each of the CAB Districts and the GVRE Districts are required to impose an ARI Mill Levy equal to five (5) mills, plus any applicable Gallagher Adjustment, minus any mill levy imposed by ARTA, on all property within their respective boundaries and transfer the revenues derived therefrom to ARTA within sixty (60) days of the receipt thereof for use by ARTA.

**Inclusion Agreements**

Effective June 29, 2020, the District entered into Inclusion Agreements with landowners (Owners) within its service area. The Inclusion Agreements were amended and restated on December 22, 2021, and again on May 19, 2022 (Second Amended and Restated Inclusion Agreements). Under the Second Amended and Restated Inclusion Agreements, the Owners and the District agree to execute and process petitions for inclusion of real property into one of the CAB Districts upon the earlier to occur of (a) the transfer of title to real property to a third party, or (b) the issuance of a building permit for the real property.

**Mill Levy Policy Agreement**

Effective June 30, 2020, the CAB and the CAB Districts entered into a Mill Levy Policy Agreement, which was amended and restated on December 22, 2021. The Amended and Restated Mill Levy Allocation Policy Agreement evidences the mutual benefits enjoyed by the CAB and CAB Districts by the provision, operation and maintenance of the Public Improvements (as defined in the Amended and Restated Mill Levy Policy Agreement) and the obligations of the CAB and the CAB Districts under the CAB Establishment Agreement and certain pledge agreements to impose and collect required mill levies to ensure the timely repayment of the CAB Bonds issued over time and the payment of administrative and operation and maintenance costs.

**Water Line Construction and Cost Reimbursement Agreement**

On July 28, 2020, the District and the City entered into a Water Line Construction and Cost Reimbursement Agreement (Water Line Reimbursement Agreement) to set forth the terms under which the District will undertake and fund the installation of certain portions of the Aurora Pipeline Project and the City will reimburse the District for certain approved incremental costs associated with installation of said improvements. The terms of the Water Line Reimbursement Agreement were amended by the Letter of Agreement regarding Payment to Accelerate Installation and the Letter of Agreement regarding Request to Expedite Installation of Pipeline Section.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 AGREEMENTS (CONTINUED)**

**Landscape Reimbursement Agreement**

On June 4, 2024, the CAB, the District and Taylor Morrison of Colorado, Inc. entered into a Landscape Reimbursement Agreement, pursuant to which Taylor Morrison of Colorado, Inc. will install certain landscape features and the CAB and the District will pay for or reimburse for their proportionate share of tap fees associated with the development of Filing 15.

**Builder Cost Sharing Agreement for Construction Manager-Only Services (North Grading Area)**

In 2024, the District entered into a Builder Cost Sharing Agreement for Construction Manager-Only Service (Grading for The Aurora Highlands) (the North Grading Area Agreement) with Aurora Highlands, LLC, Richmond American Homes of Colorado, Inc., and CND-VP Highlands, LLC (collectively the North Grading Area Builders). Pursuant to the North Grading Area Agreement, the District agreed to provide for the grading of planning areas controlled by the North Grading Area Builders, totaling approximately 260 acres, and the North Grading Area Builders agreed to pay the District (i) their pro rata share of such grading costs, (ii) a fee of 3.0% of the aggregate costs of such grading work, (iii) \$75,000 for administrative costs, and (iv) a \$100,000 contingency to cover additional unforeseen costs or changes.

**NOTE 7 NET POSITION**

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Construction in progress which will be conveyed to other entities is not included in net investment in capital assets. As of December 31, 2024, the District had net investment in capital assets of \$26,007.

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The District has a restricted net position of \$27,030,452.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. As of December 31, 2024, the District had no unrestricted net position.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 8 RELATED PARTIES**

The property within the District is owned by and is being developed by the Developer/TAH LLC and/or entities affiliated with the Developer. The District's Board members are officers of, employees of, or are associated with the Developer in consulting capacities. Additionally, Board members serve on multiple CAB District boards. As such, these Board members may have conflicts of interest in dealing with the District.

**NOTE 9 ECONOMIC DEPENDENCY**

The District has not yet established a revenue base sufficient to pay all operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the CAB.

**NOTE 10 RISK MANAGEMENT**

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

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

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

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

As of December 31, 2024, the District had unexpended construction-related commitments of \$42,379,662.

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS**

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

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

In November 7, 2017, a majority of the District's electors authorized the District to collect, retain, and spend all revenues without regard to limitation under TABOR in 2017 and all subsequent years.

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

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

## **SUPPLEMENTARY INFORMATION**

**AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ -	\$ 33,782	\$ 33,782
Intergovernmental Revenue - CAB Developer Costs	30,000,000	1,846,592	(28,153,408)
Intergovernmental Revenue - ARTA	15,000,000	9,234,237	(5,765,763)
Intergovernmental Revenue - ARTA AF	20,000,000	33,988,279	13,988,279
Intergovernmental Revenue - CAB AF ATEC Spine	300,000	4,948,806	4,648,806
Intergovernmental Revenue - CAB Construction	80,000,000	51,961,753	(28,038,247)
Other Revenue	1,000	71,982	70,982
Total Revenues	<u>145,301,000</u>	<u>102,085,431</u>	<u>(43,215,569)</u>
<b>EXPENDITURES</b>			
Current			
Accounting	90,000	-	90,000
Insurance	-	39,910	(39,910)
District Management	55,000	-	55,000
Legal	150,000	182,098	(32,098)
Miscellaneous	5,000	19,216	(14,216)
Pest Control	-	1,416	(1,416)
Bond Issue Costs	-	7,500	(7,500)
Construction Trailer Expenses	150,000	46,898	103,102
Furniture and Equipment	15,000	-	15,000
Office Supplies and Expenses	20,000	-	20,000
Operations and Maintenance	-	5,371	(5,371)
Infrastructure Improvements - ARTA	15,000,000	8,234,179	6,765,821
Infrastructure Improvements - ATEC	300,000	5,447,236	(5,147,236)
Infrastructure Improvements - Developer Costs	30,000,000	217,999	29,782,001
Infrastructure Improvements - ARTA AF	-	8,736,438	(8,736,438)
Capital Outlay			
Architecture	300,000	607,169	(307,169)
Camera Monitoring	70,000	51,805	18,195
Other Capital Outlay	20,000,000	14,346,780	5,653,220
Civil Engineering	4,000,000	6,947,579	(2,947,579)
Construction Assistance	100,000	106,131	(6,131)
Cost Verification	450,000	490,379	(40,379)
Damage Control	75,000	-	75,000
Engineering	200,000	47,450	152,550
Erosion Control	1,500,000	1,980,800	(480,800)
Grading/Earthwork	8,000,000	685,084	7,314,916
Landscape, Hardscape & Monumentation	25,000,000	19,824,216	5,175,784
Parks/Recreation	3,500,000	-	3,500,000
Permits and Fees	100,000	-	100,000
Program Management	6,000,000	8,348,959	(2,348,959)
Project Assistance	1,600,000	838,685	761,315
Stormwater	1,000,000	-	1,000,000
Streets	12,000,000	1,471,677	10,528,323
Surveying	300,000	335,661	(35,661)
Trib T Geomorphology	2,000,000	191,653	1,808,347
Utilities	15,000,000	245,824	14,754,176
Waterline	5,000,000	15,068	4,984,932
Contingency	400,000	-	400,000
Total Expenditures	<u>152,380,000</u>	<u>79,473,181</u>	<u>72,906,819</u>
<b>NET CHANGE IN FUND BALANCE</b>	(7,079,000)	22,612,250	29,691,250
Fund Balance - Beginning of Year	<u>21,306,569</u>	<u>(684,150)</u>	<u>(21,990,719)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 14,227,569</u>	<u>\$ 21,928,100</u>	<u>\$ (7,700,531)</u>