

**TOWER METROPOLITAN DISTRICT**  
**Adams County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**

**TOWER METROPOLITAN DISTRICT  
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**Independent Auditors' Report**

Board of Directors  
Tower Metropolitan District  
Adams County, Colorado

**Opinions**

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

**Basis for Opinions**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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.

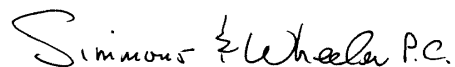
## Supplementary Information

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

## Other Information

Management is responsible for the other information included in the annual report. The other information listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. The continuing disclosure annual financial information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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.

 Simmons & Wheeler P.C.

Englewood, CO  
September 30, 2025

## **BASIC FINANCIAL STATEMENTS**

**TOWER METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 2,107,090
Cash and Investments - Restricted	362,155
Cash in Escrow	1
Receivable - County Treasurer	24,724
Receivable - Himalaya Water & Sanitation District	4,205
Receivable - US Bank	12,039
Property Tax Receivable	7,458,875
Prepaid Expenditure	5,682
Capital Assets, Not Being Depreciated	10,062,603
Capital Assets, Net of Accumulated Depreciation	<u>17,379,063</u>
Total Assets	<u>37,416,437</u>
<b>LIABILITIES</b>	
Accounts Payable and Retainage Payable	1,025,421
Accrued Interest Payable	67,929
Noncurrent Liabilities:	
Due Within One Year	3,877,000
Due in More Than One Year	<u>16,990,000</u>
Total Liabilities	<u>21,960,350</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	<u>7,458,875</u>
Total Deferred Inflows of Resources	<u>7,458,875</u>
<b>NET POSITION</b>	
Net Investments in Capital Assets	5,907,411
Restricted for:	
Emergency Reserves	146,000
Restricted For:	
Capital Project Escrow	1
Drainage	5,206
Unrestricted	<u>1,938,594</u>
Total Net Position	<u><u>\$ 7,997,212</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWER METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net Revenue (Expense) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
General Government	\$ 6,808,452	\$ -	\$ -	\$ 384,000	\$ (6,424,452)
Interest and Fees on Long-Term Debt to Other Governments	1,088,916	-	-	-	(1,088,916)
Total Governmental Activities	\$ 7,897,368	\$ -	\$ -	\$ 384,000	(7,513,368)
<b>GENERAL REVENUES</b>					
Property Taxes					5,663,081
Property Taxes - ARI					299,811
Specific Ownership Taxes					319,011
Net Investment Income					131,506
Other Income					2,535
Other Revenue					132,352
Total General Revenues					6,548,296
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					8,962,284
<b>NET POSITION - END OF YEAR</b>					
					\$ 7,997,212

See accompanying Notes to Basic Financial Statements.

**TOWER METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 2,107,090	\$ -	\$ -	\$ 2,107,090
Cash and Investments - Restricted	146,000	210,949	5,206	362,155
Cash in Escrow	-	-	1	1
Receivable - County Treasurer	24,724	-	-	24,724
Receivable - US Bank	-	12,039	-	12,039
Receivable - Himalya Water& Sanitation District	3,160	1,045	-	4,205
Due from Other Funds	15,797	-	-	15,797
Prepaid Expenditure	5,682	-	-	5,682
Property Tax Receivable	2,381,204	5,077,671	-	7,458,875
	<b>\$ 4,683,657</b>	<b>\$ 5,301,704</b>	<b>\$ 5,207</b>	<b>\$ 9,990,568</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 62,175	\$ 747	\$ 227,337	\$ 290,259
Due to ARI	295,244	-	-	295,244
Due to Other Funds	-	15,797	-	15,797
Retainage Payable	-	-	439,918	439,918
Total Liabilities	357,419	16,544	667,255	1,041,218
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenue	2,381,204	5,077,671	-	7,458,875
Total Deferred Inflows of Resources	2,381,204	5,077,671	-	7,458,875
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Insurance	5,682	-	-	5,682
Restricted For:				
Emergency Reserve	146,000	-	-	146,000
Debt Service	-	207,489	-	207,489
Restricted For:				
Capital Projects Escrow	-	-	1	1
Drainage	-	-	5,206	5,206
Assigned to:				
Subsequent Year's Expenditures	1,381,030	-	-	1,381,030
Unassigned	412,322	-	(667,255)	(254,933)
Total Fund Balances	1,945,034	207,489	(662,048)	1,490,475
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<b>\$ 4,683,657</b>	<b>\$ 5,301,704</b>	<b>\$ 5,207</b>	

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 fund financial statements.

27,441,666

Long-term liabilities are not due and payable in the current period and, therefore, are not reflected in the fund financial statements.

Loans Payable

(20,867,000)

Accrued Interest on Loans Payable

(67,929)

Net Position of Governmental Activities

**\$ 7,997,212**

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 4,297,140	\$ 1,365,941	\$ -	\$ 5,663,081
Property Taxes - ARI	299,811	-	-	299,811
Specific Ownership Tax	319,011	-	-	319,011
Net Investment Income	115,718	14,708	1,080	131,506
Other Income	2,535	-	-	2,535
Other Revenue	131,307	1,045	-	132,352
Reimbursement from Aurora	-	384,000	-	384,000
Total Revenues	<u>5,165,522</u>	<u>1,765,694</u>	<u>1,080</u>	<u>6,932,296</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	109,576	-	-	109,576
ARI Reimbursement	295,244	-	-	295,244
Audit	6,000	-	-	6,000
County Treasurer's Fee	65,967	20,808	-	86,775
County Treasurer's Fee - ARI	4,567	-	-	4,567
Directors' Fees	4,400	-	-	4,400
Donations	200	-	-	200
Dues and Licenses	1,058	-	-	1,058
Election Expense	144	-	-	144
Insurance and Bonds	5,776	-	-	5,776
Landscape Maintenance	315,624	-	-	315,624
Legal	56,362	-	-	56,362
Maintenance and Repairs	8,951	-	-	8,951
Meeting Expenses	480	-	-	480
Miscellaneous	8,739	-	-	8,739
Payroll Expense	1,601	-	-	1,601
Property Management	41,669	-	-	41,669
Security	92,000	-	-	92,000
Snow Removal	3,496	-	-	3,496
Utilities - Irrigation System	122,087	-	-	122,087
Debt Service:				
Bond Issue Costs	-	224,335	-	224,335
Bond Principal Payments - Series 2014A	-	8,155,000	-	8,155,000
Bond Principal Payments - Series 2014B	-	2,745,000	-	2,745,000
Bond Principal Payments - Series 2020A	-	10,520,000	-	10,520,000
Interest Expense - Series 2014A	-	214,884	-	214,884
Interest Expense - Series 2014B	-	66,202	-	66,202
Interest Expense - Series 2020A	-	476,277	-	476,277
Non-Use Fee	-	24,533	-	24,533
Paying Agent/Remarketing Fees	-	748	-	748
Capital Improvements	-	-	7,435,501	7,435,501
Total Expenditures	<u>1,143,941</u>	<u>22,447,787</u>	<u>7,435,501</u>	<u>31,027,229</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	4,021,581	(20,682,093)	(7,434,421)	(24,094,933)
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Proceeds	-	20,867,000	3,650,000	24,517,000
Transfer (to) from Other Funds	(3,237,103)	-	3,237,103	-
Total Other Financing Sources (Uses)	<u>(3,237,103)</u>	<u>20,867,000</u>	<u>6,887,103</u>	<u>24,517,000</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	784,478	184,907	(547,318)	422,067
Fund Balances - Beginning of Year	<u>1,160,556</u>	<u>22,582</u>	<u>(114,730)</u>	<u>1,068,408</u>
<b>FUND BALANCES - END OF YEAR</b>				
	<u>\$ 1,945,034</u>	<u>\$ 207,489</u>	<u>\$ (662,048)</u>	<u>\$ 1,490,475</u>

See accompanying Notes to Basic Financial Statements.

**TOWER METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Net Changes in Fund Balances - Total Governmental Funds \$ 422,067

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. This is the amount related to capital outlay in the current period.

Capital Outlay	2,407,386
Depreciation Expense	(636,396)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Current Year Loan Principal Payment	21,420,000
Amortization of Cost of Refunding - 2005 Bonds	(48,212)
Loan Proceeds	(24,517,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Loans - Change in Liability	(12,917)
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Change in Net Position of Governmental Activities	\$ (965,072)
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**TOWER METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT 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>			
Property Taxes	\$ 4,749,020	\$ 4,297,140	\$ (451,880)
Property Taxes - ARI	328,788	299,811	(28,977)
Specific Ownership Taxes	460,304	319,011	(141,293)
Other Income	5,000	2,535	(2,465)
Other Revenue	-	131,307	131,307
Investment Income	95,000	115,718	20,718
Total Revenues	<u>5,638,112</u>	<u>5,165,522</u>	<u>(472,590)</u>
<b>EXPENDITURES</b>			
Accounting	118,000	109,576	8,424
ARI Reimbursement	323,856	295,244	28,612
Audit	6,000	6,000	-
Contingency	20,252	-	20,252
County Treasurer's Fee	71,235	65,967	5,268
County Treasurer's Fee - ARI	4,932	4,567	365
Directors' Fees	10,000	4,400	5,600
Donations	600	200	400
Dues and Licenses	1,100	1,058	42
Election Expense	-	144	(144)
Insurance and Bonds	6,000	5,776	224
Landscape Maintenance	255,000	315,624	(60,624)
Legal	80,000	56,362	23,638
Meeting Expenses	4,000	480	3,520
Miscellaneous	5,000	8,739	(3,739)
Payroll Expense	3,000	1,601	1,399
Property Management	45,000	41,669	3,331
Repairs and Maintenance	16,500	8,951	7,549
Security	150,000	92,000	58,000
Snow Removal	11,000	3,496	7,504
Utilities - Irrigation System	100,000	122,087	(22,087)
Total Expenditures	<u>1,231,475</u>	<u>1,143,941</u>	<u>87,534</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	4,406,637	4,021,581	(385,056)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to Other Funds	<u>(4,535,700)</u>	<u>(3,237,103)</u>	1,298,597
Total Other Financing Sources (Uses)	<u>(4,535,700)</u>	<u>(3,237,103)</u>	<u>1,298,597</u>
<b>NET CHANGE IN FUND BALANCE</b>	(129,063)	784,478	913,541
Fund Balance - Beginning of Year	<u>1,129,063</u>	<u>1,160,556</u>	<u>31,493</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,000,000</u>	<u>\$ 1,945,034</u>	<u>\$ 945,034</u>

See accompanying Notes to Basic Financial Statements.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Tower Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court of Adams County on March 5, 1980 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City of Aurora, Adams County, Colorado (the City). The District was established for the purpose of constructing streets, curbs, gutters, and related facilities on the property within the District's boundaries. Construction has been financed through the issuance of general obligation bonds. Title to improvements constructed by the District is generally conveyed to the City of Aurora within 13 months of completion. When all improvements are completed, the District will continue primarily for the purpose of retiring its outstanding indebtedness and providing streetscape maintenance, covenant control, and security maintenance.

Effective October 7, 2019, the City approved the Tower Metropolitan District service plan dated July 1, 2019. The service plan allows the District to operate and maintain certain public improvements, including, but not limited to internal streets, common driveways and land, and streetscape associated with those improvements. The District has the ability to increase its mill levy as necessary for provisions of operations and maintenance services to its taxpayers and service users.

The service plan limits the District's total debt to \$50,000,000, with a 40-year repayment term. If the District's debt to assessed valuation ratio exceeds 50%, than a debt service mill levy limitation applies except as provided in the service plan.

The service plan obligates the District to impose an ARI mill levy to contribute to the funding of Aurora Regional Improvements beginning the first year of the imposition of a debt service mill levy. The ARI mill levy will be imposed as follows:

Year 1 – 20	1.0 Mills
Year 21 Through Repayment of Debt Incurred for Public Improvements	1.5 Mills

For five years thereafter, the lesser of 20 mills or a mill levy equal to the average debt service mill levy imposed by the District in the 10 years prior to the date of repayment of the debt issued for Public Improvements.

The District issued debt for public improvements in 2020. The District certified an ARI mill levy for collection budget year 2024 of 1.000 mills.

**TOWER 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, including the City.

The District has one employee, and all operations and administrative functions are contracted except for covenant enforcement.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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.

**TOWER 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 government 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. 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 other funds.

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital 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.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Pooled Cash and Investments**

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

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally 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 a deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Land improvements include expenditures for clearing the land, landscaping, changing the contour of the earth by moving and filling, detention ponds, and planting trees and shrubbery. Those costs are considered permanent improvements to the land and are not depreciable.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Capital Assets (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Lighting	15 Years
Irrigation	15 Years
Box Culvert	15 Years
Signs	25 Years
Waterline	40 Years
Streets	40 Years
Fire Line	40 Years
Median Landscaping – Construction	20 Years

**Deferred Inflow/Outflow of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has no items that qualify for reporting in this category.

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

**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.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Equity (Continued)**

Fund Balance

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

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

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

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

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

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

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

**Deficits**

The Capital Projects Fund reported a deficit in the fund balance as of December 31, 2024. The District will utilize a combination of General Fund transfers and loan proceeds to obtain a positive fund balance in the Capital Projects Fund.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**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	\$ 2,107,090
Cash in Escrow	1
Cash and Investments - Restricted	362,155
Total Cash and Investments	\$ 2,469,246

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

Deposits with Financial Institutions	\$ 254,456
Investments	2,214,790
Total Cash and Investments	\$ 2,469,246

**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 fair 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 deposits had a bank balance and a carrying balance as follows:

	Carrying
	Balance
Insured Deposits	\$ 254,456
Total	\$ 254,456

**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 disclosure requirements for investments that are in the possession of another party.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Investments (Continued)**

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 and reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 15,759
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	2,199,031
Total		<u>\$ 2,214,790</u>

**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.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**CSAFE (Continued)**

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.

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**TOWER 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 - December 31, 2023	Increases	Decreases	Balance - December 31, 2024
Capital Assets, Not Being Depreciated:				
Detention Pond	\$ 2,374,891	\$ -	\$ -	\$ 2,374,891
Irondale Gulch Ponds	2,603,369	-	-	2,603,369
Median Landscaping	774,404	-	-	774,404
ROW Landscaping	16,577	-	-	16,577
Monument Landscaping	23,543	-	-	23,543
Drainage Improvements	517,024	-	-	517,024
Construction in Process	1,345,409	2,407,386	-	3,752,795
Total Capital Assets, Not Being Depreciated	7,655,217	2,407,386	-	10,062,603
Capital Assets, Being Depreciated:				
Fire Line	354,431	-	-	354,431
Lighting	49,898	-	-	49,898
Signs	245,400	-	-	245,400
Irrigation System	208,274	-	-	208,274
Median Landscaping - Concrete	292,859	-	-	292,859
Pump House	7,001,264	-	-	7,001,264
Waterline	491,701	-	-	491,701
Streets	9,462,597	-	-	9,462,597
Box Culvert	1,569,099	-	-	1,569,099
Total Capital Assets, Being Depreciated	19,675,523	-	-	19,675,523
Less Accumulated Depreciation For:				
Fire Line	(42,835)	(8,861)	-	(51,696)
Lighting	(15,351)	(3,140)	-	(18,491)
Signs	(125,448)	(9,816)	-	(135,264)
Irrigation System	(123,151)	(13,097)	-	(136,248)
Median Landscaping - Concrete	(150,873)	(14,643)	-	(165,516)
Pump House	(53,780)	(233,375)	-	(287,155)
Waterline	(116,780)	(12,292)	-	(129,072)
Streets	(613,417)	(236,565)	-	(849,982)
Box Culvert	(418,429)	(104,607)	-	(523,036)
Total Accumulated Depreciation	(1,660,064)	(636,396)	-	(2,296,460)
Total Capital Assets, Being Depreciated, Net	18,015,459	(636,396)	-	17,379,063
Capital Assets, Net	<u>\$ 25,670,676</u>	<u>\$ 1,770,990</u>	<u>\$ -</u>	<u>\$ 27,441,666</u>

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

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

Governmental Activities:	
General Government	\$ 636,396
Total Depreciation Expense - Governmental Activities	\$ 636,396

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in long-term obligations for the year ended December 31, 2024:

	Balance - December 31, 2023	Additions	Retirements/ Adjustments	Balance - December 31, 2024	Due Within One Year
Governmental Activities:					
Notes from Direct Borrowings and Direct Placements:					
Tax-Free Loan Refunding Issue Series 2014A	\$ 8,155,000	\$ -	\$ 8,155,000	\$ -	\$ -
Taxable Loan Refunding Issue Series 2014B	2,745,000	-	2,745,000	-	-
Tax-Free Loan Issue Series 2020	6,870,000	3,650,000	10,520,000	-	-
General Obligation Refunding Loan Series 2024	-	20,867,000	-	20,867,000	3,877,000
Total	\$ 17,770,000	\$ 24,517,000	\$ 21,420,000	\$ 20,867,000	\$ 3,877,000

**General Obligation Loan 2024 (the 2024 Loan)**

On December 01, 2024, the District entered into a Loan Agreement with BOK Financial Public Finance, Inc., (the Lender) in the amount of \$20,867,000 (Loan). The Loan has an interest rate in the amount of 4.10%, payable semiannually on June 1 and December 1. Principal payment is scheduled every December 1, starting December 1, 2025. The Loan matures on December 1, 2029. Proceeds from the Loan were used to refund the District's prior loans with US Bank.

The Loan is payable from Pledged Revenue. Pledged Revenue consists of (a) the Required Mill Levy, (b) Specific Ownership Taxes collected as a result of imposition of the Required Mill Levy by the District, and (c) any other legally available monies the District determines, in its absolute discretion, to transfer to the Custodian for deposit into the Pledged Revenue Fund.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**General Obligation Loan 2024 (the 2024 Loan) (Continued)**

The Required Mill Levy has the following meaning: (a) Subject to subparagraph (b) below, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay all amounts due and owing with respect to this Agreement and the 2024 Note in such year; (b) notwithstanding anything herein to the contrary, in no event may the Required Mill Levy be established at a mill levy rate which would cause the District to exceed the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes imposed in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Events of default occur if the District does not impose the Required Mill levy, make payments of principal and interest when due, and other customary terms and conditions consistent with normal municipal financings.

The outstanding loan principal and interest are as follows:

<u>Year Ending December 31,</u>	Governmental Activities		<u>Total</u>
	Notes from Direct Borrowings and Direct Placements		
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 3,877,000	\$ 815,146	\$ 4,692,146
2026	3,995,000	696,590	4,691,590
2027	4,159,000	532,795	4,691,795
2028	4,329,000	362,276	4,691,276
2029	4,507,000	184,787	4,691,787
Total	\$ 20,867,000	\$ 2,591,594	\$ 23,458,594

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**General Obligation Loan 2024 (the 2024 Loan) (Continued)**

At December 31, 2024, the District had authorized but unissued general obligation indebtedness in the following amounts allocated for the following purposes:

	Authorized November 7, 2018 Election	Authorized November 5, 2019 Election	Total Authorized Debt
Street Improvements	\$ -	\$ 50,000,000	\$ 50,000,000
Traffic Controls	-	-	-
Parks and Recreation	-	-	-
Public Transportation	-	-	-
Mosquito Control	-	-	-
Water	50,000,000	-	50,000,000
Sanitary Sewer	50,000,000	-	50,000,000
Security	10,000,000	-	10,000,000
Business Recruitment	10,000,000	-	10,000,000
Directional Drilling	20,000,000	-	20,000,000
Operations and Maintenance	50,000,000	-	50,000,000
Debt Refunding	200,000,000	-	200,000,000
Total	<u>\$ 390,000,000</u>	<u>\$ 50,000,000</u>	<u>\$ 440,000,000</u>

In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**NOTE 6 NET POSITION**

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

The net investment in capital assets component 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 improvements of those assets. The amount of capital assets which are anticipated to be conveyed to other governmental entities are not included in the capital assets, net, amount below.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6 NETPOSITION (CONTINUED)**

As of December 31, 2024, the District had net investment in capital assets, calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 27,441,666
Less: Capital Related Debt	
Current Portion of Long-Term Obligations	(20,867,000)
Less: Construction Payable	(667,255)
Net Investment in Capital Assets	\$ 5,907,411

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2024, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 146,000
Capital Projects Escrow	1
Drainage	5,206
Total Restricted Net Position	\$ 151,207

The District has a deficit unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**NOTE 7 RELATED PARTY TRANSACTIONS**

The developer and owner of the majority of land located within the District is Majestic Realty Co. (Developer). The contractor for construction of certain infrastructure facilities of the District is Commerce Construction Co. LP (Contractor). The Developer and Contractor are related entities. Certain members of the Board of Directors of the District are employees of, owners of, or associated with the Developer and/or Contractor and may have conflicts of interest in dealing with the District. Also, the only employee of the District is related to the President of the Board.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 7 RELATED PARTY TRANSACTIONS (CONTINUED)**

The District entered into a Construction Management Agreement (Agreement) with the Contractor to act as the Construction Manager of the District. The Construction Manager will provide construction management and supervision services for the construction and acquisition of certain District facilities. The compensation shall be 4% of the gross dollar amount paid pursuant to construction contracts and related engineering and/or design contracts entered into by the District. The Agreement will terminate upon completion and close out of the project. During 2024, the Contractor was paid \$0 for construction management services related to the project.

**NOTE 8 INTERFUND AND OPERATING TRANSFERS**

The District transferred \$3,237,103 from the General Fund to the Capital Projects Fund to fund capital projects in 2024.

**NOTE 9 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 (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, 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.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

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

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

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

In November 1994 and November 1998, voters within the District approved election questions related to the issuance of additional indebtedness, elimination of TABOR fiscal year limitations, exemption from state revenue limitations, and the elimination of Director term limits.

On November 6, 2018, a majority of the District's electors approved questions related to the issuance of additional indebtedness and a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR in 2018 and every year thereafter. On November 6, 2018, a majority of the District's electors authorized the District to collect and spend or retain all of the revenue of the District without regard to the revenue and spending limitations of TABOR.

The District believes it has taken such steps as are appropriate in light of current interpretations of TABOR to comply with its terms. However, TABOR is complex and subject to multiple interpretations. Many of the provisions, including but not limited to the interpretation of how to calculate Fiscal Year Spending and other limits, will require judicial interpretation.

**TOWER METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

**Construction Commitments**

As of December 31, 2024, the District had construction related contract commitments as follows:

	<u>Retainage</u>	<u>Contract Balance</u>
ADK Electric Corp - Retail	\$ 3,382	\$ 7,424
Colorado Concrete Construction LLC	9,522	-
Colorado Concrete Construction LLC - Retail	5,997	25,173
Greenways - Picadilly Bridge	-	365,498
Greenways - Phase11	1,880	37,601
Lawrence Construction Company - First Creek	1,036	4,652,591
Lawrence Construction Company - Picadilly Bridge	3,415	5,349,522
Lawrence Construction Company - Picadilly Roadway	2,595	3,696,989
Levi Contractors, Inc. - Phase 11	314,569	1,972,346
Levi Contractors, Inc. - Retail	84,041	-
Martin Marietta	1	-
Miller Wall Company	9,335	-
Nelson Pipeline	791	-
Three Brothers Concrete	3,354	-
Total	<u>\$ 439,918</u>	<u>\$ 16,107,144</u>

**NOTE 12 SUBSEQUENT EVENT**

On January 31, 2025, the District entered into a Loan Agreement with BOK Financial Public Finance, Inc., (the Lender) in the aggregate principal amount not to exceed amount of \$20,000,000 (the 2025 Loan). The initial advance on the 2025 Loan was extended to the District on the closing date in the amount of \$50,001. The proceeds of the initial advance were used to finance the costs of public improvements.

## **SUPPLEMENTARY INFORMATION**

**TOWER METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Property Taxes	\$ 1,497,960	\$ 1,365,941	\$ (132,019)
Investment Income	25,000	14,708	(10,292)
Other Revenue	-	1,045	1,045
Reimbursement from Aurora	<u>384,000</u>	<u>384,000</u>	<u>-</u>
Total Revenues	<u>1,906,960</u>	<u>1,765,694</u>	<u>(141,266)</u>
<b>EXPENDITURES</b>			
Bond Issue Costs	645,144	224,335	420,809
Loan Principal Payments - Series 2014A	8,155,000	8,155,000	-
Loan Principal Payments - Series 2014B	2,745,000	2,745,000	-
Loan Principal Payments - Series 2020	14,527,900	10,520,000	4,007,900
County Treasurer's Fee	22,469	20,808	1,661
Interest Expense - Series 2014A	221,056	214,884	6,172
Interest Expense - Series 2014B	68,203	66,202	2,001
Interest Expense - Series 2020A	602,650	476,277	126,373
Non-Use Fee	35,000	24,533	10,467
Paying Agent Fees	3,000	748	2,252
Contingency	<u>4,926</u>	<u>-</u>	<u>4,926</u>
Total Expenditures	<u>27,030,348</u>	<u>22,447,787</u>	<u>4,582,561</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(25,123,388)	(20,682,093)	4,441,295
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Issuance (refunding)	<u>24,897,300</u>	<u>20,867,000</u>	<u>(4,030,300)</u>
Total Other Financing Sources (Uses)	<u>24,897,300</u>	<u>20,867,000</u>	<u>(4,030,300)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(226,088)	184,907	410,995
Fund Balance - Beginning of Year	<u>226,088</u>	<u>22,582</u>	<u>(203,506)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 207,489</u></u>	<u><u>\$ 4,237,789</u></u>

**TOWER 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	\$ 32,400	\$ 1,080	\$ (31,320)
Intergovernmental Income	495,000	-	(495,000)
Total Revenues	<u>527,400</u>	<u>1,080</u>	<u>(526,320)</u>
<b>EXPENDITURES</b>			
32nd and Himalaya Medians	500,000	-	500,000
38th Ave Extension	5,300,000	159,497	5,140,503
Capital Outlay	-	14,100	(14,100)
Drainage Reimbursement	-	3,100,000	(3,100,000)
FBR Common Area	780,000	-	780,000
FDP & MDR Update	25,000	130,074	(105,074)
First Creek Improvements	100,000	4,562	95,438
Himalaya Extension	2,200,000	70,294	2,129,706
IG-A Improvements	50,000	-	50,000
MCC Earthwork Analysis	25,000	26,350	(1,350)
Phase 11 Offsite Improvements	2,850,000	2,005,659	844,341
Picadilly Bridge	25,000	6,930	18,070
Picadilly Roadway	-	10,950	(10,950)
Picadilly Widening w/ Bridge	25,000	-	25,000
SE Detention Pond w/ Bridge	25,000	-	25,000
Tower Crossings Retail	2,000,000	1,907,085	92,915
Total Expenditures	<u>13,905,000</u>	<u>7,435,501</u>	<u>6,469,499</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(13,377,600)	(7,434,421)	5,943,179
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Proceeds	8,841,900	3,650,000	(5,191,900)
Transfers from Other Funds	4,535,700	3,237,103	(1,298,597)
Total Other Financing Sources (Uses)	<u>13,377,600</u>	<u>6,887,103</u>	<u>(6,490,497)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(547,318)	(547,318)
Fund Balance - Beginning of Year	<u>-</u>	<u>(114,730)</u>	<u>(114,730)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ (662,048)</u>	<u>\$ (662,048)</u>

## **OTHER INFORMATION**

**TOWER METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2024**

	\$20,867,000			
	Unlimited Tax General Obligation			
	Refunding Loan Series 2024			
	Dated December 01, 2024			
	Interest Rate of 4.10%			
Bond/Principal and Interest Maturing in the Year Ending December 31,	Interest Payable June 1 and December 1 Balloon Payment Due December 30, 2024			Total General Obligation Debt
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$ 3,877,000	\$ 815,146	\$ 4,692,146	\$ 4,692,146
2026	3,995,000	696,590	4,691,590	4,691,590
2027	4,159,000	532,795	4,691,795	4,691,795
2028	4,329,000	362,276	4,691,276	5,288,713
2029	4,507,000	184,787	4,691,787	4,691,787
Total	<u>\$ 20,867,000</u>	<u>\$ 2,591,594</u>	<u>\$ 23,458,594</u>	<u>\$ 24,056,031</u>

**TOWER METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2024**

Year Ended December 31,	Prior Year Assessed for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General Fund	Debt Service	Levied	Collected	
2020	\$ 150,736,000	16.017	3.983	\$ 3,014,720	\$ 2,803,721	93.00 (A)
2021	159,782,430	14.963	5.037	3,195,649	3,165,993	99.07 (B)
2022	183,503,060	14.988	5.012	3,670,061	3,604,448	98.21 (C)
2023	219,473,110	14.988	5.012	4,389,462	4,400,392	100.25
2024	328,788,430	15.444	4.556	6,575,768	5,962,892	90.68 (D)
Estimated for the Year Ending December 31, 2025	\$ 331,505,570	7.183	15.317	\$ 7,458,875		

**NOTE:**

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

- (A) \$201,430 of ad valorem taxes were refunded/abated to property owners in 2020.
- (B) \$33,229 of ad valorem taxes were refunded/abated to property owners in 2021.
- (C) \$28,660 of ad valorem taxes were refunded/abated to property owners in 2022.
- (D) \$38,851 of ad valorem taxes were refunded/abated to property owners in 2024.