

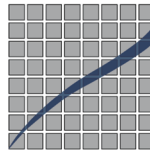
**25 COMMERCE PARK METROPOLITAN DISTRICT**  
**Adams County, Colorado**

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

**YEAR ENDED DECEMBER 31, 2024**

**25 COMMERCE PARK METROPOLITAN DISTRICT  
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YEAR ENDED DECEMBER 31, 2024**

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**BiggsKofford**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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Board of Directors and Management  
**25 Commerce Park Metropolitan District**  
Adams County, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of 25 Commerce Park Metropolitan District ("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, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

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

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

## **Other Matters**

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

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

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

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
September 15, 2025

## **BASIC FINANCIAL STATEMENTS**

**25 COMMERCE PARK METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

|                                      | Governmental<br>Activities |
|--------------------------------------|----------------------------|
| <b>ASSETS</b>                        |                            |
| Cash and Investments                 | \$ 16,001                  |
| Cash and Investments - Restricted    | 4,141,955                  |
| Property Tax Receivable              | 2                          |
| Capital Assets:                      |                            |
| Capital Assets Not Being Depreciated | 3,898,573                  |
| Total Assets                         | <u>8,056,531</u>           |
| <b>LIABILITIES</b>                   |                            |
| Accounts Payable                     | 24,978                     |
| Accrued Interest                     | 38,075                     |
| Noncurrent Liabilities:              |                            |
| Due in More Than One Year            | 8,558,307                  |
| Total Liabilities                    | <u>8,621,360</u>           |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                            |
| Property Tax Revenue                 | <u>2</u>                   |
| Total Deferred Inflows of Resources  | <u>2</u>                   |
| <b>NET POSITION</b>                  |                            |
| Restricted for:                      |                            |
| Capital Projects                     | 52,822                     |
| Unrestricted                         | <u>(617,653)</u>           |
| Total Net Position                   | <u>\$ (564,831)</u>        |

See accompanying Notes to Basic Financial Statements.

**25 COMMERCE PARK METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

|                                                 |                   | Program Revenues           |                                          |                                        | Net Revenues<br>(Expenses) and<br>Changes in<br>Net Position |
|-------------------------------------------------|-------------------|----------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------------------|
|                                                 | Expenses          | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                   |
| <b>FUNCTIONS/PROGRAMS</b>                       |                   |                            |                                          |                                        |                                                              |
| Primary Government:                             |                   |                            |                                          |                                        |                                                              |
| Governmental Activities:                        |                   |                            |                                          |                                        |                                                              |
| General Government                              | \$ 138,203        | \$ -                       | \$ -                                     | \$ -                                   | \$ (138,203)                                                 |
| Interest on Long-Term Debt<br>and Related Costs | 495,750           | -                          | -                                        | -                                      | (495,750)                                                    |
| Total Governmental Activities                   | <u>\$ 633,953</u> | <u>\$ -</u>                | <u>\$ -</u>                              | <u>\$ -</u>                            | (633,953)                                                    |
| <b>GENERAL REVENUES</b>                         |                   |                            |                                          |                                        |                                                              |
| Interest Income                                 |                   |                            |                                          |                                        | 69,122                                                       |
| Total General Revenues                          |                   |                            |                                          |                                        | <u>69,122</u>                                                |
| <b>CHANGES IN NET POSITION</b>                  |                   |                            |                                          |                                        | (564,831)                                                    |
| Net Position - Beginning of Year                |                   |                            |                                          |                                        | -                                                            |
| <b>NET POSITION - END OF YEAR</b>               |                   |                            |                                          |                                        | <u>\$ (564,831)</u>                                          |

See accompanying Notes to Basic Financial Statements.

**25 COMMERCE PARK METROPOLITAN DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

|                                                                                                                                                 | General          | Debt<br>Service   | Capital<br>Projects | Total<br>Governmental<br>Funds |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|---------------------|--------------------------------|
| <b>ASSETS</b>                                                                                                                                   |                  |                   |                     |                                |
| Cash and Investments                                                                                                                            | \$ 16,001        | \$ -              | \$ -                | \$ 16,001                      |
| Cash and Investments - Restricted                                                                                                               | -                | 435,751           | 3,706,204           | 4,141,955                      |
| Due from Other Funds                                                                                                                            | 2,995            | -                 | -                   | 2,995                          |
| Property Tax Receivable                                                                                                                         | -                | 2                 | -                   | 2                              |
|                                                                                                                                                 | <u>-</u>         | <u>2</u>          | <u>-</u>            | <u>2</u>                       |
| Total Assets                                                                                                                                    | <u>\$ 18,996</u> | <u>\$ 435,753</u> | <u>\$ 3,706,204</u> | <u>\$ 4,160,953</u>            |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>                                                                        |                  |                   |                     |                                |
| <b>LIABILITIES</b>                                                                                                                              |                  |                   |                     |                                |
| Accounts Payable                                                                                                                                | \$ 14,318        | \$ -              | \$ 10,660           | \$ 24,978                      |
| Due to Other Funds                                                                                                                              | -                | -                 | 2,995               | 2,995                          |
| Total Liabilities                                                                                                                               | <u>14,318</u>    | <u>-</u>          | <u>13,655</u>       | <u>27,973</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                                                                                            |                  |                   |                     |                                |
| Deferred Property Tax                                                                                                                           | -                | 2                 | -                   | 2                              |
| Total Deferred Inflows of Resources                                                                                                             | <u>-</u>         | <u>2</u>          | <u>-</u>            | <u>2</u>                       |
| <b>FUND BALANCES</b>                                                                                                                            |                  |                   |                     |                                |
| Restricted for:                                                                                                                                 |                  |                   |                     |                                |
| Debt Service                                                                                                                                    | -                | 435,751           | -                   | 435,751                        |
| Capital Projects                                                                                                                                | -                | -                 | 3,692,549           | 3,692,549                      |
| Unassigned                                                                                                                                      | 4,678            | -                 | -                   | 4,678                          |
| Total Fund Balances                                                                                                                             | <u>4,678</u>     | <u>435,751</u>    | <u>3,692,549</u>    | <u>4,132,978</u>               |
| Total Liabilities, Deferred Inflows of<br>Resources, and Fund Balances                                                                          | <u>\$ 18,996</u> | <u>\$ 435,753</u> | <u>\$ 3,706,204</u> |                                |
| Amounts reported for governmental activities in the statement of<br>net position are different because:                                         |                  |                   |                     |                                |
| Capital assets used in governmental activities are not financial<br>resources and, therefore, are not reported in the funds.                    |                  |                   |                     | 3,898,573                      |
| Long-term liabilities, including bonds payable, are not due and payable<br>in the current period and, therefore, are not reported in the funds. |                  |                   |                     |                                |
| Accrued Interest                                                                                                                                |                  |                   |                     | (38,075)                       |
| Loans Payable                                                                                                                                   |                  |                   |                     | (8,500,000)                    |
| Developer Advance Payable                                                                                                                       |                  |                   |                     | <u>(58,307)</u>                |
| Net Position of Governmental Activities                                                                                                         |                  |                   |                     | <u>\$ (564,831)</u>            |

See accompanying Notes to Basic Financial Statements.

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

|                                                  | General         | Debt<br>Service   | Capital<br>Projects | Total<br>Governmental<br>Funds |
|--------------------------------------------------|-----------------|-------------------|---------------------|--------------------------------|
| <b>REVENUES</b>                                  |                 |                   |                     |                                |
| Interest Income                                  | \$ -            | \$ 6,961          | \$ 62,161           | \$ 69,122                      |
| Total Revenues                                   | -               | 6,961             | 62,161              | 69,122                         |
| <b>EXPENDITURES</b>                              |                 |                   |                     |                                |
| Current:                                         |                 |                   |                     |                                |
| Accounting                                       | 15,327          | -                 | 4,795               | 20,122                         |
| Banking Fees                                     | 41              | -                 | -                   | 41                             |
| Dues And Membership                              | 198             | -                 | -                   | 198                            |
| Engineering                                      | -               | -                 | 17,378              | 17,378                         |
| Insurance                                        | 1,392           | -                 | -                   | 1,392                          |
| Legal                                            | 29,836          | -                 | 11,633              | 41,469                         |
| Organization Costs                               | -               | -                 | 55,553              | 55,553                         |
| Website                                          | 2,050           | -                 | -                   | 2,050                          |
| Debt Service:                                    |                 |                   |                     |                                |
| Loan Interest                                    | -               | 145,205           | -                   | 145,205                        |
| Loan Issuance Costs                              | -               | -                 | 307,685             | 307,685                        |
| Capital Projects:                                |                 |                   |                     |                                |
| Capital Outlay                                   | -               | -                 | 3,898,573           | 3,898,573                      |
| Total Expenditures                               | 48,844          | 145,205           | 4,295,617           | 4,489,666                      |
| <b>EXCESS OF REVENUES UNDER<br/>EXPENDITURES</b> | (48,844)        | (138,244)         | (4,233,456)         | (4,420,544)                    |
| <b>OTHER FINANCING SOURCES (USES)</b>            |                 |                   |                     |                                |
| Loan Issuance Proceeds                           | -               | -                 | 8,500,000           | 8,500,000                      |
| Developer Advance                                | 53,522          | -                 | 3,954,126           | 4,007,648                      |
| Repay Developer Advance                          | -               | -                 | (3,954,126)         | (3,954,126)                    |
| Transfers In / (To) From Other Funds             | -               | 573,995           | (573,995)           | -                              |
| Total Other Financing Sources                    | 53,522          | 573,995           | 7,926,005           | 8,553,522                      |
| <b>NET CHANGE IN FUND BALANCES</b>               | 4,678           | 435,751           | 3,692,549           | 4,132,978                      |
| Fund Balances - Beginning of Year                | -               | -                 | -                   | -                              |
| <b>FUND BALANCES - END OF YEAR</b>               | <u>\$ 4,678</u> | <u>\$ 435,751</u> | <u>\$ 3,692,549</u> | <u>\$ 4,132,978</u>            |

See accompanying Notes to Basic Financial Statements.

**25 COMMERCE PARK 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, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 4,132,978

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

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

Capital Outlay 3,898,573

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

|                         |             |
|-------------------------|-------------|
| Loan Issuance           | (8,500,000) |
| Developer Advance       | (4,007,648) |
| Repay Developer Advance | 3,954,126   |

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

|                                                                  |                |
|------------------------------------------------------------------|----------------|
| Accrued Interest Payable - Change in Liability                   | (38,075)       |
| Accrued Interest Payable Developer Advance - Change in Liability | <u>(4,785)</u> |

|                                                    |                            |
|----------------------------------------------------|----------------------------|
| Changes in Net Position of Governmental Activities | <u><u>\$ (564,831)</u></u> |
|----------------------------------------------------|----------------------------|

**25 COMMERCE PARK METROPOLITAN DISTRICT  
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

|                                        | Budget    |          | Actual   | Variance with |
|----------------------------------------|-----------|----------|----------|---------------|
|                                        | Original  | Final    | Amounts  | Final Budget  |
|                                        |           |          |          | Positive      |
|                                        |           |          |          | (Negative)    |
| <b>REVENUES</b>                        |           |          |          |               |
| Total Revenues                         | \$ -      | \$ -     | \$ -     | \$ -          |
| <b>EXPENDITURES</b>                    |           |          |          |               |
| Accounting                             | 35,000    | 20,000   | 15,327   | 4,673         |
| Auditing                               | 7,000     | -        | -        | -             |
| Banking Fees                           |           | -        | 41       | (41)          |
| Contingency                            | 10,500    | 16,000   | -        | 16,000        |
| Dues And Membership                    | 500       | 500      | 198      | 302           |
| Insurance                              | 5,000     | 2,500    | 1,392    | 1,108         |
| Legal                                  | 40,000    | 20,000   | 29,836   | (9,836)       |
| Website                                | 2,000     | 1,000    | 2,050    | (1,050)       |
| Total Expenditures                     | 100,000   | 60,000   | 48,844   | 11,156        |
| <b>EXCESS OF REVENUES OVER (UNDER)</b> |           |          |          |               |
| <b>EXPENDITURES</b>                    | (100,000) | (60,000) | (48,844) | 11,156        |
| <b>OTHER FINANCING SOURCES (USES)</b>  |           |          |          |               |
| Developer Advance                      | 100,000   | 60,000   | 53,522   | (6,478)       |
| Total Other Financing Sources (Uses)   | 100,000   | 60,000   | 53,522   | (6,478)       |
| <b>NET CHANGE IN FUND BALANCE</b>      | -         | -        | 4,678    | 4,678         |
| Fund Balance - Beginning of Year       | -         | -        | -        | -             |
| <b>FUND BALANCE - END OF YEAR</b>      | \$ -      | \$ -     | \$ 4,678 | \$ 4,678      |

See accompanying Notes to Basic Financial Statements.

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1    DEFINITION OF REPORTING ENTITY**

25 Commerce Park Metropolitan District (the District) is a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Thornton (the City), County of Adams, Colorado, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized by order and decree of the District Court on November 20, 2023.

The District was organized to provide financing for the planning, design, acquisition, construction, installation, relocation, and redevelopment of public improvements, and operation and maintenance of the District.

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

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

**NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

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

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Government-Wide and Fund Financial Statements (Continued)**

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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 another fund.

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

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

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Budgets**

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

The District amended its annual budget for the year ended December 31, 2024.

**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 deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

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

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Capital Assets (Continued)**

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.

**Deferred Inflow of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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.

**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.

**25 COMMERCE PARK 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:

|                                   |                     |
|-----------------------------------|---------------------|
| Cash and Investments              | \$ 16,001           |
| Cash and Investments - Restricted | 4,141,955           |
| Total Cash and Investments        | <u>\$ 4,157,956</u> |

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

|                                      |                     |
|--------------------------------------|---------------------|
| Deposits with Financial Institutions | \$ 16,001           |
| Investments                          | 4,141,955           |
| Total Cash and Investments           | <u>\$ 4,157,956</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.

**25 COMMERCE PARK 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.

At December 31, 2024, the District's cash deposits had a bank and carrying balance of \$16,001.

**Investments**

The District has adopted a formal investment policy to follow the 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

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

| <u>Investment</u>                             | <u>Maturity</u>  | <u>Amount</u>       |
|-----------------------------------------------|------------------|---------------------|
| Morgan Stanley Liquid Government Money Market | Weighted-Average |                     |
| Trust (Zions)                                 | Under 60 Days    | \$ 4,141,955        |
| Total                                         |                  | <u>\$ 4,141,955</u> |

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Morgan Stanley Liquid Government Money Market**

The debt service money that is included in the trust accounts at Zions Bank (a division of Zions Bancorporation, NA.) is invested in the Morgan Stanley Liquid Government Portfolio Advisor Class Money Market. This portfolio is a money market mutual fund which invests in U.S. Treasury obligations, which are fully guaranteed as to principal and interest by the United States, with maturities of 180 days or less and repurchase agreements collateralized by U.S. Treasury obligations. The Fund is rated AAAM by Standard & Poor's, AAA-mf by Moodys, and AAAMmf by Fitch.

**NOTE 4 CAPITAL ASSETS**

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

|                                                | Balance at<br>December 31,<br>2023 | Increases    | Decreases | Balance at<br>December 31,<br>2024 |
|------------------------------------------------|------------------------------------|--------------|-----------|------------------------------------|
| Governmental Activities:                       |                                    |              |           |                                    |
| Capital Assets, Not Being<br>Depreciated:      |                                    |              |           |                                    |
| Construction in Progress                       | \$ -                               | \$ 3,898,573 | \$ -      | \$ 3,898,573                       |
| Total Capital Assets,<br>Not Being Depreciated | -                                  | 3,898,573    | -         | 3,898,573                          |
| Governmental Activities<br>Capital Assets, Net | \$ -                               | \$ 3,898,573 | \$ -      | \$ 3,898,573                       |

**NOTE 5 LONG-TERM OBLIGATIONS**

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

|                                                                            | Balance at<br>December 31,<br>2023 | Additions     | Reductions   | Balance at<br>December 31,<br>2024 | Due<br>Within<br>One Year |
|----------------------------------------------------------------------------|------------------------------------|---------------|--------------|------------------------------------|---------------------------|
| Notes/Loans/Bonds from Direct Borrowings<br>and Direct Placements:         |                                    |               |              |                                    |                           |
| Series 2024 Loan Payable                                                   | \$ -                               | \$ 8,500,000  | \$ -         | \$ 8,500,000                       | \$ -                      |
| Subtotal Notes/Loans/Bonds from Direct<br>Borrowings and Direct Placements | -                                  | 8,500,000     | -            | 8,500,000                          | -                         |
| Other Debts:                                                               |                                    |               |              |                                    |                           |
| Developer Advance - Operating                                              | -                                  | 53,522        | -            | 53,522                             | -                         |
| Developer Advance - Capital                                                | -                                  | 3,954,126     | 3,954,126    | -                                  | -                         |
| Accrued Interest on:                                                       |                                    |               |              |                                    |                           |
| Developer Advance - Operating                                              | -                                  | 1,289         | -            | 1,289                              | -                         |
| Developer Advance - Capital                                                | -                                  | 3,496         | -            | 3,496                              | -                         |
| Subtotal Other Debts                                                       | -                                  | 4,012,433     | 3,954,126    | 58,307                             | -                         |
| Total Long-Term Obligations                                                | \$ -                               | \$ 12,512,433 | \$ 3,954,126 | \$ 8,558,307                       | \$ -                      |

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

The details of the District's long-term obligations are as follows:

**Limited Tax General Obligation Loan, Series 2024**

On August 7, 2024, the District entered into a Loan Agreement with Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado (the Bank) pertaining to a loan in the amount of \$8,500,000 (2024 Loan). The proceeds from the 2024 Loan were used to (i) finance certain improvement and facilities; and (ii) pay the costs of issuing the 2024 Loan.

Prior to the first Interest Reset Date, the Based Rate will be 5.3016%. The Interest rate will Reset on December 1, 2031, and every five-year anniversary thereafter until the 2024 Loan is repaid in full, as defined in the agreement. The 2024 Loan matures on December 1, 2054.

Interest payments are due on June 1 and December 1 of each year, commencing December 1, 2024. All interest due and payable shall be calculated on the basis of a 360-day year and actual number of days elapsed in the applicable period. Interest not paid when due shall remain outstanding at the then-applicable interest rate but shall not compound.

Prior to the time when the Debt to Assessed Ratio is 50% or less (Conversion Date), the Required Mill Levy means an ad valorem mill levy imposed on all taxable property of the District each year in an amount sufficient when combined with moneys held in the Loan Payment Fund, to pay the annual debt requirements for the next fiscal year, but not in excess of 50 mills (subject to adjustment).

On and after the Conversion Date, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the Loan Payment Fund, to generate property tax revenues of not less than the Annual Debt Requirements for the next Fiscal Year and in amounts sufficient to make such payments when due, but not in excess of 99 mills, regardless of any subsequent increase in the Debt to Assessed Ratio.

**Pledged Revenues**

The Bonds are secured by and payable solely from and to the extent of "Pledged Revenue," which means the moneys derived by the District from the following sources: (a) Required Mill Levy; (b) the District Revenues, as and to the extent received by the District; (c) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and (d) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue.

**Events of Default**

The events of occur if the District, the District fails or refuses to impose the Required Mill Levy, or to transfer or cause the transfer of the Pledged Revenues to the Custodian, and do not comply with other customary terms and conditions consistent with normal municipal financing as described in the loan agreement.

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Limited Tax General Obligation Loan, Series 2024 (Continued)**

**Remedies for Events of Default**

In addition to the application of the Default Rate in accordance with the terms hereof, upon the occurrence and during the continuance of any Event of Default, the Bank at its option, may do any one or more of the following: (a) exercise any and all remedies available under the Custodial Agreement; or (b) proceed by mandamus or any other suit, or take any other action or remedy available under the other Financing Documents or any other document, or at law or in equity.

**Optional Prepayment/Redemption**

Prior to December 1, 2029, the District may prepay all or any part of the principal of the Loan upon payment to the Bank of the principal amount so prepaid and accrued interest thereon to the prepayment date, with a prepayment fee of 3% of the principal amount so prepaid (the "Prepayment Fee"). On and after December 1, 2029, the District may prepay all or any part of the principal of the Loan upon payment to the Bank of the principal amount so prepaid and accrued interest thereon to the prepayment date, without a Prepayment Fee.

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

| <u>Year Ending December 31,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>         |
|---------------------------------|---------------------|---------------------|----------------------|
| 2025                            | \$ -                | \$ 456,895          | \$ 456,895           |
| 2026                            | -                   | 456,895             | 456,895              |
| 2027                            | 60,000              | 456,895             | 516,895              |
| 2028                            | 75,000              | 454,913             | 529,913              |
| 2029                            | 90,000              | 449,638             | 539,638              |
| 2030-2034                       | 640,000             | 2,211,255           | 2,851,255            |
| 2035-2039                       | 995,000             | 2,028,159           | 3,023,159            |
| 2040-2044                       | 1,490,000           | 1,699,028           | 3,189,028            |
| 2045-2049                       | 2,130,000           | 1,215,701           | 3,345,701            |
| 2050-2054                       | 3,020,000           | 523,636             | 3,543,636            |
| Total                           | <u>\$ 8,500,000</u> | <u>\$ 9,953,015</u> | <u>\$ 18,453,015</u> |

**Authorized Debt**

On November 7, 2023, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$189,360,000 for general obligation bonds at an interest rate equal to, lower or higher than the interest rate on the refunded debt per annum. As of December 31, 2024, the District had authorized but unissued general obligation indebtedness in the following amounts allocated for the following purposes:

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Authorized Debt (Continued)**

|                                               | Amount<br>Authorized on<br>November 7,<br>2023 | Authorization Used<br>Series 2024<br>Loan | Authorized<br>But<br>Unused |
|-----------------------------------------------|------------------------------------------------|-------------------------------------------|-----------------------------|
| Street Improvements                           | \$ 11,460,000                                  | \$ 1,563,367                              | \$ 9,896,633                |
| Water                                         | 11,460,000                                     | 558,208                                   | 10,901,792                  |
| Sanitation/Storm Sewer                        | 11,460,000                                     | 1,141,615                                 | 10,318,385                  |
| Transportation                                | 11,460,000                                     | -                                         | 11,460,000                  |
| Mosquito Control                              | 1,000,000                                      | -                                         | 1,000,000                   |
| Park and Recreation                           | 11,460,000                                     | 690,937                                   | 10,769,063                  |
| Fire Protection                               | 11,460,000                                     | -                                         | 11,460,000                  |
| Television Relay and Translation              | 1,000,000                                      | -                                         | 1,000,000                   |
| Security                                      | 1,000,000                                      | -                                         | 1,000,000                   |
| Operations and Maintenance Debt               | 11,460,000                                     | -                                         | 11,460,000                  |
| Refunding Debt                                | 71,760,000                                     | -                                         | 71,760,000                  |
| District Intergovernmental Agreements as Debt | 11,460,000                                     | -                                         | 11,460,000                  |
| District Private Agreements as Debt           | 11,460,000                                     | -                                         | 11,460,000                  |
| Mortgage                                      | 11,460,000                                     | -                                         | 11,460,000                  |
| Unallocated                                   | -                                              | 4,545,873                                 | (4,545,873)                 |
| Total                                         | <u>\$ 189,360,000</u>                          | <u>\$ 8,500,000</u>                       | <u>\$ 180,860,000</u>       |

Per the Amended and Restated Service Plan dated July 23, 2024, the District is limited to issuing \$12,264,000 in debt. In addition, the maximum debt service mill levy for the District is 50 mills; provided, however, once any or all of the principal amount of any outstanding bonds is less than 50% of the assessed valuation of the property within the District, the maximum mill levy will no longer apply with respect to those outstanding bonds. The maximum debt service mill levy is also subject to adjustment based on any change in law, change in method of calculation, or changes in the ratio of actual value to assessed value of property within the District.

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

**NOTE 6 NET POSITION**

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

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 6    NET POSITION (CONTINUED)**

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

|                               | <u>Governmental<br/>Activities</u> |
|-------------------------------|------------------------------------|
| Restricted Net Position:      |                                    |
| Capital Projects              | \$       52,822                    |
| Total Restricted Net Position | <u>\$       52,822</u>             |

The District has a deficit in unrestricted net position. This deficit amount is the result of the District being responsible for the financing and repayment of bonds issued for the construction of public improvements which were dedicated to other governmental entities and which costs were removed from the District's financial records.

**NOTE 7    RELATED PARTIES**

The primary developer of vacant property within the District is RG Commerce Park LLC (the Developer), a Delaware limited liability company. All members of the Board of Directors of the District are affiliated with the Developer, and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts of interest, if any, have been disclosed.

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 8    AGREEMENTS**

**Funding and Reimbursement Agreement – Operations and Maintenance**

The District and the Developer entered into a Funding & Reimbursement Agreement (FRA) dated December 12, 2023. Pursuant to the FRA, the Developer agrees to advance funds to the District for operations and maintenance expenses up to but not to exceed the aggregate of \$50,000 per annum (the “Annual Loan Cap”) for two years, up to \$100,000 in the aggregate (as the same may be subsequently increased as set forth below, or by agreement of the Parties and execution of a supplement or addendum to this Agreement) (the “Maximum Loan Amount”). These funds shall be advanced to the District in one or a series of installments and shall be available to the District through December 31, 2024 (the “Loan Obligation Termination Date”). Thereafter, the Loan Obligation Termination Date will automatically extend for additional one (1) year terms (i) unless the Developer provides written notice to the District of termination at least thirty (30) days prior to December 31 of each year or (ii) the Parties mutually agree to terminate. Upon each automatic one (1) year extension of the Loan Obligation Termination Date, the Developer agrees to advance the District one or more sums of money up to the Annual Loan Cap, and the Maximum Loan Amount shall be automatically increased upon each one (1) year extension by the Annual Loan Cap. The District has agreed to reimburse the Developer for funds advanced under the OFA. Simple interest shall accrue from the date any such advance is made at the rate published by Municipal Market Data (MMD) “AAA” General Obligation Yield Curve, 30-Year constant maturity, published by Refinitiv + 325bps. The District’s obligations under the agreement will terminate on December 12, 2043 (twenty years from the effective date), any amounts due and owing under this agreement as of December 31, 2043 shall be deemed forever discharged and deemed a contribution by the Developer. As of December 31, 2024, outstanding advances under this agreement totaled \$53,522 in principal and \$1,289 in interest.

**Infrastructure Acquisition and Reimbursement Agreement**

The District and the Developer entered into Infrastructure Acquisition and Reimbursement Agreement (IARA) dated December 12, 2023. Pursuant to the IARA, the Developer agrees to design, construct and complete certain District Improvements (defined therein) in full conformance with the design standards and specifications established and in use by the District as well as plans approved by the City, and the District is required to acquire any District Improvements constructed in conformance with the agreements and to reimburse the Developer for the verified costs of such District Improvements. The District has agreed to reimburse the Developer for funds advanced under the IARA. Simple interest shall accrue from the date any such advance is made at the rate published by Municipal Market Data (MMD) “AAA” General Obligation Yield Curve, 30-Year constant maturity, published by Refinitiv + 325bps. The IARA shall terminate at the earlier of the repayment in full of the Certified District Eligible Costs or at the date of the Maximum Repayment Term, 20 years from the date of Certified District Eligible Costs not converted to Reimbursement Obligations, as defined in the agreement. As of December 31, 2024, outstanding advances under this agreement totaled \$0 in principal and \$3,496 in interest.

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 8    AGREEMENTS (CONTINUED)**

**Reimbursement Agreement**

The District, the Developer and Confluent Development, LLC (Seller) entered into Reimbursement Agreement (the Reimbursement Agreement) dated December 12, 2023. Pursuant to the Reimbursement Agreement, the Seller acknowledges that it has incurred capital costs associated with the organization and development of the District, which the District agrees are eligible for reimbursement. Simple interest shall accrue from the date any such advance is deposited into the District's account or from the direct payment by the Developer, at the rate published by Municipal Market Data (MMD) "AAA" General Obligation Yield Curve, 30-Year constant maturity, published by Refinitiv + 325bps. The District's obligations under the Reimbursement Agreement shall terminate at the repayment in full of the Certified District Eligible Costs or twenty (20) years from the execution of the Reimbursement Agreement. As of December 31, 2024, outstanding advances under this agreement totaled \$0 in principal and \$0 in interest.

**IGA – City of Thornton**

In conjunction with the Amended and Restated Service Plan, the District and the City of Thornton (City) entered into an Amended and Restated Intergovernmental Agreement dated July 23, 2024. The agreement documents certain covenant and agreements between the District and the City as set forth and required by the Service Plan.

**Intergovernmental Cooperation Agreement – Thornton Development Authority**

The District and the Thornton Development Authority (TDA) entered into an Intergovernmental Cooperation Agreement regarding Tax Increment Revenues derived from the District's Mill Levy on February 13, 2023 (ICA). Pursuant to the agreement, the District and TDA desire to cooperate on Public Improvements and to assure that taxes levied by the District are made available to the District for purposes of implementing the District's Service Plan. In consideration of the District providing certain Improvements and services, TDA agrees to provide Tax Increment Revenues (not otherwise pledged) to an amount equal to the portion of revenues which it receives as a result of Tax Increment Revenues which are attributable to the District's current and future levy of ad valorem taxes on real and personal taxable property within the District. For year ended December 31, 2024, there were \$-0- received under this agreement.

**NOTE 9    INTERFUND AND OPERATING TRANSFERS**

The transfer from the Capital fund to the Debt Service Fund was related to the 2024 Loan issuance, to transfer money into the Loan Payment Fund per the closing memorandum.

**25 COMMERCE PARK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 10 RISK MANAGEMENT**

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

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

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

On November 7, 2023, the District's voters approved an annual increase in taxes of \$5,000,000 for general operations and maintenance without limitation of rate. This election allows the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

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**

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

|                                        | Budget      |                   | Actual            | Variance with    |
|----------------------------------------|-------------|-------------------|-------------------|------------------|
|                                        | Original    | Final             | Amounts           | Final Budget     |
|                                        |             |                   |                   | Positive         |
|                                        |             |                   |                   | (Negative)       |
| <b>REVENUES</b>                        |             |                   |                   |                  |
| Interest Income                        | \$ -        | \$ 26,000         | \$ 6,961          | \$ (19,039)      |
| Total Revenues                         | -           | 26,000            | 6,961             | (19,039)         |
| <b>EXPENDITURES</b>                    |             |                   |                   |                  |
| Loan Interest                          | -           | 170,400           | 145,205           | 25,195           |
| Contingency                            | -           | 100,000           | -                 | 100,000          |
| Total Expenditures                     | -           | 270,400           | 145,205           | 125,195          |
| <b>EXCESS OF REVENUES OVER (UNDER)</b> |             |                   |                   |                  |
| <b>EXPENDITURES</b>                    | -           | (244,400)         | (138,244)         | 106,156          |
| <b>OTHER FINANCING SOURCES (USES)</b>  |             |                   |                   |                  |
| Transfers From Other Funds             | -           | 648,000           | 573,995           | (74,005)         |
| Total Other Financing Sources (Uses)   | -           | 648,000           | 573,995           | (74,005)         |
| <b>NET CHANGE IN FUND BALANCE</b>      | -           | 403,600           | 435,751           | 32,151           |
| Fund Balance - Beginning of Year       | -           | -                 | -                 | -                |
| <b>FUND BALANCE - END OF YEAR</b>      | <u>\$ -</u> | <u>\$ 403,600</u> | <u>\$ 435,751</u> | <u>\$ 32,151</u> |

**25 COMMERCE PARK METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

|                                                         | Budget   |             | Actual       | Variance with |
|---------------------------------------------------------|----------|-------------|--------------|---------------|
|                                                         | Original | Final       | Amounts      | Final Budget  |
|                                                         |          |             |              | Positive      |
|                                                         |          |             |              | (Negative)    |
| <b>REVENUES</b>                                         |          |             |              |               |
| Interest Income                                         | \$ -     | \$ 100,000  | \$ 62,161    | \$ (37,839)   |
| Total Revenues                                          | -        | 100,000     | 62,161       | (37,839)      |
| <b>EXPENDITURES</b>                                     |          |             |              |               |
| Accounting                                              | -        | 20,000      | 4,795        | 15,205        |
| Engineering                                             | -        | 50,000      | 17,378       | 32,622        |
| Legal                                                   | -        | 20,000      | 11,633       | 8,367         |
| Capital Outlay                                          | -        | 7,464,000   | 3,898,573    | 3,565,427     |
| Organization Costs                                      | -        | -           | 55,553       | (55,553)      |
| Loan Issuance Costs                                     | -        | 298,000     | 307,685      | (9,685)       |
| Contingency                                             | -        | 100,000     | -            | 100,000       |
| Total Expenditures                                      | -        | 7,952,000   | 4,295,617    | 3,656,383     |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | -        | (7,852,000) | (4,233,456)  | 3,618,544     |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |          |             |              |               |
| Loan Issuance Proceeds                                  | -        | 8,500,000   | 8,500,000    | -             |
| Developer Advance                                       | -        | 7,464,000   | 3,954,126    | (3,509,874)   |
| Repay Developer Advance                                 | -        | (7,464,000) | (3,954,126)  | 3,509,874     |
| Transfers To Other Fund                                 | -        | -           | (573,995)    | (573,995)     |
| Total Other Financing Sources (Uses)                    | -        | 8,500,000   | 7,926,005    | (573,995)     |
| <b>NET CHANGE IN FUND BALANCE</b>                       | -        | 648,000     | 3,692,549    | 3,044,549     |
| Fund Balance - Beginning of Year                        | -        | -           | -            | -             |
| <b>FUND BALANCE - END OF YEAR</b>                       | \$ -     | \$ 648,000  | \$ 3,692,549 | \$ 3,044,549  |

## **OTHER INFORMATION**

**25 COMMERCE PARK METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2024**

| Principal<br>and Interest<br>Maturing<br>in the<br>Year Ending<br>December 31, | \$8,500,000 Limited Tax General Obligation Loan<br>Series 2024<br>7 Year Fixed Rate - 5.3016%<br>Dated August 7, 2024<br>Interest Payable June 1 and December 1<br>Principal Payable December 1 |                     |                      |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
|                                                                                | Principal                                                                                                                                                                                       | Interest            | Total                |
| 2025                                                                           | \$ -                                                                                                                                                                                            | \$ 456,895          | \$ 456,895           |
| 2026                                                                           | -                                                                                                                                                                                               | 456,895             | 456,895              |
| 2027                                                                           | 60,000                                                                                                                                                                                          | 456,895             | 516,895              |
| 2028                                                                           | 75,000                                                                                                                                                                                          | 454,913             | 529,913              |
| 2029                                                                           | 90,000                                                                                                                                                                                          | 449,638             | 539,638              |
| 2030                                                                           | 105,000                                                                                                                                                                                         | 444,801             | 549,801              |
| 2031                                                                           | 110,000                                                                                                                                                                                         | 439,157             | 549,157              |
| 2032                                                                           | 130,000                                                                                                                                                                                         | 450,688             | 580,688              |
| 2033                                                                           | 140,000                                                                                                                                                                                         | 442,208             | 582,208              |
| 2034                                                                           | 155,000                                                                                                                                                                                         | 434,401             | 589,401              |
| 2035                                                                           | 165,000                                                                                                                                                                                         | 425,757             | 590,757              |
| 2036                                                                           | 185,000                                                                                                                                                                                         | 417,698             | 602,698              |
| 2037                                                                           | 195,000                                                                                                                                                                                         | 406,240             | 601,240              |
| 2038                                                                           | 220,000                                                                                                                                                                                         | 395,366             | 615,366              |
| 2039                                                                           | 230,000                                                                                                                                                                                         | 383,098             | 613,098              |
| 2040                                                                           | 260,000                                                                                                                                                                                         | 371,287             | 631,287              |
| 2041                                                                           | 270,000                                                                                                                                                                                         | 355,774             | 625,774              |
| 2042                                                                           | 300,000                                                                                                                                                                                         | 340,717             | 640,717              |
| 2043                                                                           | 315,000                                                                                                                                                                                         | 323,988             | 638,988              |
| 2044                                                                           | 345,000                                                                                                                                                                                         | 307,262             | 652,262              |
| 2045                                                                           | 365,000                                                                                                                                                                                         | 287,184             | 652,184              |
| 2046                                                                           | 400,000                                                                                                                                                                                         | 266,830             | 666,830              |
| 2047                                                                           | 420,000                                                                                                                                                                                         | 244,525             | 664,525              |
| 2048                                                                           | 460,000                                                                                                                                                                                         | 221,710             | 681,710              |
| 2049                                                                           | 485,000                                                                                                                                                                                         | 195,452             | 680,452              |
| 2050                                                                           | 540,000                                                                                                                                                                                         | 168,407             | 708,407              |
| 2051                                                                           | 570,000                                                                                                                                                                                         | 138,294             | 708,294              |
| 2052                                                                           | 605,000                                                                                                                                                                                         | 106,801             | 711,801              |
| 2053                                                                           | 635,000                                                                                                                                                                                         | 72,772              | 707,772              |
| 2054                                                                           | 670,000                                                                                                                                                                                         | 37,362              | 707,362              |
| Total                                                                          | <u>\$ 8,500,000</u>                                                                                                                                                                             | <u>\$ 9,953,015</u> | <u>\$ 18,453,015</u> |

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

|                                                   | Assessed<br>Valuation | Percent<br>Change | Total Mills Levied    |                 |        | Total Property Taxes |           | Percent<br>Collected<br>to Levied |
|---------------------------------------------------|-----------------------|-------------------|-----------------------|-----------------|--------|----------------------|-----------|-----------------------------------|
|                                                   |                       |                   | General<br>Operations | Debt<br>Service | Total  | Levied               | Collected |                                   |
| 2024                                              | \$ 18                 | 0.0%              | -                     | -               | -      | \$ -                 | \$ -      | - %                               |
| Estimated for<br>Year Ending<br>December 31, 2025 | \$ 32                 | 44%               | 10.212                | 51.063          | 61.275 | \$ 2                 |           |                                   |

**Note:**

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

Source: Adams County Assessor and Treasurer.