

**THE AURORA HIGHLANDS
COMMUNITY AUTHORITY BOARD
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Aurora Highlands Community Authority Board
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of The Aurora Highlands Community Authority Board (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 Authority as of December 31, 2024, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, 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 Authority'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.

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Fiscal Focus Partners, LLC

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary and other information (together, the information) as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Economic Dependency

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

Fiscal Focus Partners, LLC

Arvada, Colorado
September 17, 2025

BASIC FINANCIAL STATEMENTS

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Investments	\$ 622,216
Cash and Investments - Restricted	254,016
Accounts Receivable - Homeowner Fees	88,206
Due from Other Districts	476,210
Prepaid Insurance	36,766
Capital Assets:	
Capital Assets Not Being Depreciated	395,739,364
Total Assets	397,216,778
LIABILITIES	
Accounts Payable	776,229
Unearned Homeowner Fees	35,605
Due to AACMD	18,967,781
Noncurrent Liabilities:	
Due in More Than One Year	458,494,282
Total Liabilities	478,273,897
NET POSITION	
Restricted for:	
Emergency Reserve	83,200
Unrestricted	(81,140,319)
Total Net Position	\$ (81,057,119)

See accompanying Notes to Basic Financial Statements.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 69,350,094	\$ 668,006	\$ 2,074,665	\$ 337,018	\$ (66,270,405)
Interest on Long-Term Debt and Related Costs	29,003,812	861,317	-	-	(28,142,495)
Total Governmental Activities	\$ 98,353,906	\$ 1,529,323	\$ 2,074,665	\$ 337,018	(94,412,900)
GENERAL REVENUES					
					39,797
					2,521,048
SPECIAL ITEMS					
					65,271,358
					67,832,203
CHANGES IN NET POSITION					(26,580,697)
					(54,476,422)
NET POSITION - END OF YEAR					\$ (81,057,119)

See accompanying Notes to Basic Financial Statements.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 622,216	\$ -	\$ -	\$ 622,216
Cash and Investments - Restricted	83,200	33,827	136,989	254,016
Accounts Receivable - Homeowner Fees	88,206	-	-	88,206
Due from Other Districts	8,893	467,317	-	476,210
Prepaid Insurance	36,766	-	-	36,766
	Total Assets	\$ 501,144	\$ 136,989	\$ 1,477,414
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 775,920	\$ -	\$ 309	\$ 776,229
Unearned Homeowner Fees	35,605	-	-	35,605
Due to AACMD	-	-	18,967,781	18,967,781
Total Liabilities	811,525	-	18,968,090	19,779,615
FUND BALANCES				
Nonspendable:				
Prepaid Expense	36,766	-	-	36,766
Restricted for:				
Emergency Reserves	83,200	-	-	83,200
Debt Service	-	501,144	-	501,144
Assigned to:				
Subsequent Year's Expenditures	609,875	-	-	609,875
Unassigned	(702,085)	-	(18,831,101)	(19,533,186)
Total Fund Balances	27,756	501,144	(18,831,101)	(18,302,201)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 839,281	\$ 501,144	\$ 136,989	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	395,739,364
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Payable	(388,782,767)
Accrued Interest - Bonds Payable	(67,641,503)
Developer Advance Payable - Operations	(173,000)
Developer Advance Payable - Capital	(1,572,128)
Accrued Interest on Developer Advance	(324,884)
Net Position of Governmental Activities	\$ (81,057,119)

See accompanying Notes to Basic Financial Statements.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Plan and Design Review Fees	\$ 20,361	\$ -	\$ -	\$ 20,361
Other Revenue	29,297	10,500	-	39,797
Intergovernmental Revenues	2,074,665	-	118,159	2,192,824
Homeowner Fees	647,645	-	-	647,645
Intergovernmental Revenues - AACMD	-	422,317	-	422,317
Net Investment Income	-	828	2,520,220	2,521,048
Facilities Fees	-	439,000	-	439,000
Developer Reimbursements	-	-	218,859	218,859
Total Revenues	<u>2,771,968</u>	<u>872,645</u>	<u>2,857,238</u>	<u>6,501,851</u>
EXPENDITURES				
General and Administrative:				
Accounting	245,406	-	-	245,406
Auditing	22,100	-	-	22,100
Billing	35,654	-	-	35,654
Community Relations	33,419	-	-	33,419
Community Management	462,516	-	-	462,516
Covenant enforcement	34,836	-	-	34,836
District Management	215,602	-	-	215,602
Dues And Membership	3,454	-	-	3,454
Election	194	-	-	194
Insurance	133,104	-	-	133,104
Legal	610,426	41,825	-	652,251
Intergovernmental Expenditures	50,000	-	-	50,000
Miscellaneous	4,542	-	-	4,542
Electricity	42,646	-	-	42,646
Landscape Maintenance	236,746	-	-	236,746
Snow Removal	23,173	-	-	23,173
Trash and Recycling	118,694	-	-	118,694
Water	709,191	-	-	709,191
Website	4,365	-	-	4,365
Debt Service:				
2021A Bonds Interest	-	487,399	-	487,399
Paying Agent Fees	-	14,500	-	14,500
Bond Issue Costs	-	115,000	-	115,000
Capital Projects:				
Capital Outlay	-	-	16,766,434	16,766,434
Intergovernmental Expense - AACMD Construction	-	-	51,962,531	51,962,531
Intergovernmental Expense - AACMD ARTA	-	-	9,234,267	9,234,267
Intergovernmental Expense - AACMD AF ATEC Spine	-	-	4,948,805	4,948,805
Intergovernmental Expense - AACMD Dev. Reimbursement	-	-	218,423	218,423
Total Expenditures	<u>2,986,068</u>	<u>658,724</u>	<u>83,130,460</u>	<u>86,775,252</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(214,100)	213,921	(80,273,222)	(80,273,401)
OTHER FINANCING SOURCES (USES)				
Developer Advance	173,000	-	16,766,434	16,939,434
Repay Developer Advance Interest	-	-	(15,194,306)	(15,194,306)
Total Other Financing Sources	<u>173,000</u>	<u>-</u>	<u>1,572,128</u>	<u>1,745,128</u>
NET CHANGE IN FUND BALANCES	(41,100)	213,921	(78,701,094)	(78,528,273)
Fund Balances - Beginning of Year	<u>68,856</u>	<u>287,223</u>	<u>59,869,993</u>	<u>60,226,072</u>
FUND BALANCES - END OF YEAR	<u>\$ 27,756</u>	<u>\$ 501,144</u>	<u>\$ (18,831,101)</u>	<u>\$ (18,302,201)</u>

See accompanying Notes to Basic Financial Statements.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS) OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ (78,528,273)

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	16,766,434
Transfer of Capital Assets from AACMD	65,271,358

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.

Current Year Developer Advances	(16,939,434)
Repayment of Developer Advances	15,194,306

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

Accrued Interest on Bonds Payable - Change in Liability	(28,020,204)
Accrued Interest on Developer Advances Payable - Change in Liability	<u>(324,884)</u>

Changes in Net Position of Governmental Activities \$ (26,580,697)

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgets		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Operations Funding	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Plan and Design Review Fees	22,500	22,500	20,361	(2,139)
Other Revenue	5,000	30,000	29,297	(703)
Intergovernmental Revenues	2,057,306	2,075,000	2,074,665	(335)
Homeowner Fees	360,000	650,000	647,645	(2,355)
Total Revenues	<u>2,449,806</u>	<u>2,782,500</u>	<u>2,771,968</u>	<u>(10,532)</u>
EXPENDITURES				
General and Administrative:				
Accounting	280,000	280,000	245,406	34,594
Auditing	20,000	22,100	22,100	-
Billing	80,000	80,000	35,654	44,346
Community Relations	50,000	50,000	33,419	16,581
Community Management	315,000	351,000	462,516	(111,516)
Covenant Enforcement	40,000	1,000	34,836	(33,836)
District Management	210,000	216,000	215,602	398
Dues And Membership	6,000	6,000	3,454	2,546
Election	-	200	194	6
Insurance	75,000	135,000	133,104	1,896
Intergovernmental Expenditures	-	50,000	50,000	-
Legal	370,000	460,000	610,426	(150,426)
Miscellaneous	3,000	5,000	4,542	458
Website	21,000	10,000	4,365	5,635
Operations and Maintenance:				
Detention Pond Maintenance	10,000	10,000	-	10,000
Electricity	95,000	70,000	42,646	27,354
Landscape Maintenance	430,000	230,000	236,746	(6,746)
Mailbox Maintenance	3,000	3,000	-	3,000
Snow Removal	120,000	120,000	23,173	96,827
Trash and Recycling	70,000	120,000	118,694	1,306
Water	320,000	750,000	709,191	40,809
Winter Watering	20,000	20,000	-	20,000
Contingency	33,000	-	-	-
Total Expenditures	<u>2,571,000</u>	<u>2,989,300</u>	<u>2,986,068</u>	<u>3,232</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(121,194)	(206,800)	(214,100)	(7,300)
OTHER FINANCING SOURCES (USES)				
Developer Advance	150,000	210,000	173,000	(37,000)
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>210,000</u>	<u>173,000</u>	<u>(37,000)</u>
NET CHANGE IN FUND BALANCE	28,806	3,200	(41,100)	(44,300)
Fund Balance - Beginning of Year	<u>64,381</u>	<u>-</u>	<u>68,856</u>	<u>68,856</u>
FUND BALANCE - END OF YEAR	<u>\$ 93,187</u>	<u>\$ 3,200</u>	<u>\$ 27,756</u>	<u>\$ 24,556</u>

See accompanying Notes to Basic Financial Statements.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

The Aurora Highlands Community Authority Board (CAB), a political subdivision and public corporation of the State of Colorado, was established on November 21, 2019, and is governed pursuant to the power of Article XIV of the Colorado Constitution and in conformity with the provisions of Sections 29-1-203 and 203.5, C.R.S. The CAB operates pursuant to the Aurora Highlands Community Authority Board Establishment Agreement first effective November 19, 2019 and subsequently, amended and restated on April 16, 2020, April 27, 2022, and December 15, 2022 (CABEA), by and between Aerotropolis Area Coordinating Metropolitan District (AACMD), The Aurora Highlands Metropolitan Districts Nos. 1-6 (TAH Nos. 1-6) and ATEC Metropolitan Districts Nos. 1 and 2 (ATEC Nos. 1 and 2) (collectively the CAB Districts). The CAB's service area is within the boundaries of The Aurora Highlands master planned development, which is located in Adams County, Colorado, within the City of Aurora (City) and consists of the combined service areas of the CAB Districts. As set forth in the CABEA, the primary purpose of the CAB is to coordinate the development of public improvements for the benefit of the CAB Districts, the residents, and property owners, and to own, operate, and maintain all public improvements within the service area.

The CAB 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 members of the Board of Directors for the CAB are appointed by the CAB Districts. The CAB is financially accountable for the CAB Districts and shall provide administrative services to the CAB Districts listed in the CABEA, but the CAB is not considered a component unit of any other primary governmental entity, including the CAB Districts, nor are any of the CAB Districts considered a component unit of the CAB.

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

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by charges for services, operating contributions, and inter-governmental revenues.

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the CAB 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 system development fees, homeowner maintenance fees and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the CAB. The CAB 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 AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The CAB reports the following major governmental funds:

The General Fund is the CAB'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 is used to account for the resources accumulated and payments made for principal and interest on bonds issued by the CAB.

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

Budgets

In accordance with the State Budget Law, the CAB'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 CAB'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 CAB 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.

Capital Assets

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

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

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

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 622,216
Cash and Investments - Restricted	<u>254,016</u>
Total Cash and Investments	<u><u>\$ 876,232</u></u>

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

Deposits with Financial Institutions	\$ 728,416
Investments	<u>147,816</u>
Total Cash and Investments	<u><u>\$ 876,232</u></u>

Deposits with Financial Institutions

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

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

On December 31, 2024, the CAB's cash deposits had a bank balance of \$864,001 and a carrying balance of \$728,416.

Investments

The CAB has not adopted a formal investment policy; however, the CAB follows state statutes regarding investments.

The CAB 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 CAB 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.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

Fair Value Measurement and Application

The CAB categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE (which are recorded at amortized cost), and COLOTRUST (which are recorded at net asset value).

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
JP Morgan 100% U.S. Treasury Securities	Weighted-Average Under 60 Days	\$ 147,816
Total		<u>\$ 147,816</u>

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

JP Morgan 100% U.S. Treasury Securities Portfolio

The capital project monies that are included in the trust account at Zions Bancorporation, National Association, are invested in the JP Morgan 100% U.S. Treasury Securities Portfolio. This portfolio is a money market fund that is managed by J.P. Morgan Asset Management, and each share is maintained at a net asset value (NAV) of \$1.00 per share. The fund is AAAM rated by S&P Rating and invests solely in debt securities of the U.S. Treasury, including Treasury bills, bonds, and notes. The dollar-weighted average maturity of the underlying securities is 60 days or less. The fund records its investments based on amortized costs.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 313,701,572	\$ 82,037,792	\$ -	\$ 395,739,364
Total Capital Assets, Not Being Depreciated	<u>313,701,572</u>	<u>82,037,792</u>	<u>-</u>	<u>395,739,364</u>
Governmental Activities Capital Assets, Net	<u>\$ 313,701,572</u>	<u>\$ 82,037,792</u>	<u>\$ -</u>	<u>\$ 395,739,364</u>

AACMD acts as Project Manager to the CAB per a Project Management Intergovernmental Agreement (described in Note 6). All construction in progress benefitting the CAB Districts shall be transferred to the CAB. The CAB shall own, operate, and maintain all public improvements unless and until such public improvements are dedicated to the City or other appropriate governmental entity for perpetual ownership and maintenance.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2023	Additions	Retirements	Balance - December 31, 2024	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Special Tax Revenue Refunding and Improvement Bonds: Series 2021A	\$ 297,464,000	\$ -	\$ -	\$ 297,464,000	\$ -
Special Revenue Bonds: Series 2023A Special Tax Revenue Convertible Capital Appreciation Bonds	26,247,235	2,071,532	-	28,318,767	-
Accrued Interest on:					
Series 2021A	34,916,232	19,109,528	487,399	53,538,361	-
Subtotal of Bonds Payable	<u>358,627,467</u>	<u>21,181,060</u>	<u>487,399</u>	<u>379,321,128</u>	<u>-</u>
Bonds from Direct Borrowings:					
Special Tax Revenue: Draw-Down Bonds: Series 2022B	63,000,000	-	-	63,000,000	-
Accrued Interest on: Series 2022B	6,776,599	7,326,543	-	14,103,142	-
Subtotal of Bonds from Direct Borrowings	<u>69,776,599</u>	<u>7,326,543</u>	<u>-</u>	<u>77,103,142</u>	<u>-</u>
Other Debts:					
Developer Advances:					
Operations	-	173,000	-	173,000	-
Capital	-	16,766,434	15,194,306	1,572,128	-
Accrued Interest on:					
Developer Advances - Operations	-	13,099	-	13,099	-
Developer Advances - Capital	-	311,785	-	311,785	-
Subtotal - Other Debts	<u>-</u>	<u>17,264,318</u>	<u>15,194,306</u>	<u>2,070,012</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 428,404,066</u>	<u>\$ 45,771,921</u>	<u>\$ 15,681,705</u>	<u>\$ 458,494,282</u>	<u>\$ -</u>

Special Tax Revenue Refunding and Improvement Bonds, Series 2021A (2021A Bonds) and 2021B Special Tax Revenue Draw Down Bonds, Series 2021B, (2021B Bonds and together with the 2021A Bonds, 2021 Bonds).

2021 Bond Details

On December 22, 2021, the CAB issued the 2021A Bonds in the aggregate principal amount of \$297,464,000 and 2021B Bonds in the maximum aggregate principal amount of up to \$70,000,000.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2021A Bonds

The 2021A Bonds bear interest at the rate of 5.75% per annum and are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date of December 1, 2051. Proceeds from the sale of the 2021A Bonds were used to (a) refund the CAB’s Special Tax Revenue Draw-Down Bonds Series 2020A Bonds (2020A Bonds) and Subordinate Special Tax Revenue Draw-Down Series 2020B Bonds (2020B Bonds, and together with the 2020A Bonds, the 2020 Bonds); (b) pay or reimburse Project Costs; and (c) pay certain costs incurred in connection with the issuance of the 2021A Bonds and the 2021B Bonds.

Principal on the 2021A Bonds is payable on each December 1 from and to the extent of Pledged Revenue, if any, pursuant to a mandatory redemption. Interest not paid when due shall compound each December 1. To the extent any principal is not paid when due, such principal is to remain outstanding and is to continue to bear interest until the earlier of its payment or December 2 of the fiftieth year after the year in which the Last Residential District (as defined in the 2021A Trust Indenture) first imposed its debt service mill levy, regardless of the amount of principal and interest paid prior to such Termination Date, at which time all outstanding 2021A Bonds and the interest thereon shall be deemed to be paid, satisfied and discharged.

The 2021A Bonds are subject to redemption prior to maturity, at the option of the CAB, on December 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Period</u>
December 1, 2028 to November 30, 2029	3.00%
December 1, 2029 to November 30, 2030	2.00
December 1, 2030 to November 30, 2031	1.00
December 1, 2031 and thereafter	0.00

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2021A Bonds (Continued)

The 2021A Bonds are payable solely from and to the extent of the Pledged Revenue, consisting generally of the moneys derived from the following sources, net of any costs of collection:

- (a) the Debt Service Property Tax Revenues of TAH 1-3, AACMD, and ATEC 2 (Taxing Districts) derived from imposition by each of the Taxing Districts of its Required Debt Service Mill Levy;
- (b) the Debt Service Specific Ownership Tax Revenues of each of the Taxing Districts;
- (c) the Debt Service PILOT Revenues of each of the Taxing Districts;
- (d) the Single-Family Residential Facilities Fees; and
- (e) collected within the CAB service area any other legally available moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Each of the Taxing Districts is required, pursuant to individual Revenue Pledge Agreement (Note 6) with the CAB, to impose an ad valorem mill levy upon all taxable property within the Taxing District's boundaries beginning in the tax levy year 2024 (for collection in 2025), with respect to TAH 1 or ATEC 2, or in the first tax levy year in which the assessed valuation is equal to or greater than \$10,000,000, with respect to TAH2, TAH 3 and AACMD.

The Required Debt Service Mill Levy shall be imposed (a) for TAH 1-3, in the amount of 50 mills; (b) for ATEC 2, in the amount of 29 mills; and (c) for AACMD in the amount of 29 or 50 mills, as determined by whether the property within AACMD's boundaries is developed for residential, nonresidential, or high-density residential uses, all as subject to adjustment for changes in the ratio of actual valuation to assessed valuation on or after January 1, 2004.

2021B Bonds

Concurrently with the issuance of the 2021A Bonds, the CAB also issued its 2021B Bonds (with the 2021A Bonds, the 2021 Bonds). The purposes of the 2021B Bonds are to (i) pay or reimburse Project Costs, (ii) pay Draw Fees, and (iii) pay Working Capital Costs (Bond Purposes).

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

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2021B Bonds (Continued)

To the extent principal of any 2021B Bond is not paid on or prior to the maturity date of such Bond, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the 2021B Bond, and to the extent interest on any 2021B Bond is not paid when due, such interest shall compound annually on each December 15, at the rate then borne by the 2021B Bond.

Subordinate Pledged Revenue means all Senior Pledged Revenue available and remaining on and after the first date on which no Series 2021A Senior Bonds are outstanding. No Pledged Revenue may be applied to the payment of the 2021B Bonds until the earlier of the date all amounts due and payable on the 2021A Senior Bonds have been paid or the Termination Date.

Events of Default

Events of default under the 2021 Bonds occur if the CAB does not apply Pledged Revenue in accordance with the Indentures of Trust, and other customary terms and conditions consistent with normal municipal financings as described in the Indentures of Trust. The annual debt service requirements of the 2021A and 2021B Bonds are not currently determinable since they are payable only from available Pledged Revenue.

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

2022B Bonds

Subordinate Special Tax Revenue Bonds, Series 2022B (the 2022B Bonds). The CAB issued the 2022B Bonds on December 21, 2022, in the amount of \$63,000,000.

Proceeds of the Bonds

A portion of the proceeds from the sale of the 2022B Bonds were deposited to the Subordinate Project Fund to be used to finance or reimburse a portion of the costs of acquiring, constructing, and installing public improvements. The remaining portion of the proceeds were used to pay the costs of issuing the 2022B Bonds.

Details of the Bonds

The 2022B Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal or interest prior to the Maturity Date. Instead, principal is payable on each December 15, beginning on December 15, 2023, from and to the extent of available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. The 2022B Bonds mature on December 15, 2060.

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

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2022B Bonds (Continued)

Details of the Bonds (Continued)

After application on December 15, 2072, of all available Subordinate Pledged Revenue to the payment of the 2022B Bonds, the 2022B Bonds and the lien of the Subordinate Indenture securing payment thereof shall be deemed fully satisfied on the Termination Date of December 16, 2072, and on such date the 2022B Bonds shall be discharged, and the Subordinate Indenture shall terminate.

The 2022B Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the Subordinate Indenture. No assets have been pledged as collateral on the 2022B Bonds.

Optional Redemption

The 2022B Bonds are subject to redemption prior to maturity, at the option of the CAB, on December 1, 2027, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Period</u>
December 1, 2027 to November 30, 2028	3.00%
December 1, 2028 to November 30, 2029	2.00
December 1, 2029 to November 30, 2030	1.00
December 1, 2030 and thereafter	0.00

Subordinate Pledged Revenue

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

Subordinate ATEC Metropolitan District No. 1 (ATEC No. 1) Debt Service Revenues represent the ATEC No. 1 Debt Service Revenues remaining after payment, in each Senior Bond Year, of the amounts due and owing in such Senior Bond Year on all Senior Bonds then outstanding.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2022B Bonds (Continued)

Subordinate Pledged Revenue (Continued)

ATEC No. 1 Debt Service Revenues means, collectively, the following, net of any costs of collection: (a) the ATEC No. 1 Debt Service Property Tax Revenues; (b) the ATEC No. 1 Debt Service Specific Ownership Tax Revenues as a result of the imposition of the ATEC No. 1 Required Debt Service Mill Levy; and (c) the ATEC No. 1 Debt Service PILOT Revenues, if any.

ATEC No. 1 Debt Service Property Tax Revenues are all moneys derived from imposition of the ATEC No. 1 Required Debt Service Mill Levy, net of fees of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County.

ATEC No. 1 Required Debt Service Mill Levy

ATEC No. 1 Required Debt Service Mill Levy is an ad valorem mill levy imposed upon all taxable property of ATEC No. 1 each year, commencing in 2024 (for collection in 2025), in the amount of 29 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2004). Such mill levy shall be increased or decreased to reflect such changes so that to the extent possible, the actual tax revenues generated by such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes.

Events of Default

Events of default occur if the CAB fails to remit the Subordinate Pledged Revenue to the Trustee as required by the Subordinate Indenture, fails to pay principal and interest on the 2022B Bonds when due, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Subordinate Indenture.

2022B Bonds Debt Service

The annual debt service requirements of the 2022B Bonds are not currently determinable since they are payable only to the extent of Pledged Revenue available.

2023A Bonds

Special Tax Revenue Convertible Capital Appreciation Bonds, Series 2023A. The CAB issued the Special Tax Revenue Convertible Capital Appreciation Bonds, Series 2023A Bonds (2023A Bonds and, together with the 2022B Bonds, the 2022/2023 Bonds) on August 29, 2023, in the principal amount of \$25,740,291 (value at issuance) and a value on interest conversion date of \$35,575,000.

The proceeds of the Bonds were used to: (a) pay or reimburse Project Costs and (b) pay certain costs incurred in connection with the issuance of the 2023A Bonds.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2023A Bonds (Continued)

Details of the 2023A Bonds

The 2023A Bonds were issued as capital appreciation bonds, convertible to current interest bonds. The 2023A Bonds will automatically convert to current interest bonds on December 1, 2027. Prior to conversion to current interest bonds, the 2023A Bonds do not pay current interest; instead, they accrete in value at an annual yield equal to 7.750%. The accreted amount compounds semiannually on each interest payment date (June 1 and December 1), beginning December 1, 2023, to and including December 1, 2027. Such accreted amount, together with the Original Principal Amount of the 2023A Bonds, will thereafter bear interest at the rate borne by the 2023A Bonds upon conversion to current interest bonds.

The accreted principal balance at conversion on December 1, 2027, will be \$35,575,000, assuming that no extraordinary optional, extraordinary mandatory or optional redemptions are made prior to December 1, 2027. Upon conversion to current interest bonds, the 2023A Bonds will bear interest at a rate of 7.750%, payable semiannually on June 1 and December 1, commencing on June 1, 2028. Annual mandatory sinking fund principal payments are due on December 1 of each year beginning December 1, 2032. The 2023A Bonds mature on December 1, 2053.

On and after conversion to current interest bonds, to the extent principal of any of the 2023A Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the 2023A Bonds. To the extent interest accrued on any of the 2023A Bond are not paid when due, such unpaid interest shall compound semiannually on each interest payment date at the rate then borne by the 2023A Bonds, until paid.

The 2023A Bonds are not subject to early termination or acceleration. No assets have been pledged as collateral on the 2023A Bonds.

Events of Default

Events of default occur if the CAB fails or refuses to remit the Pledged Revenue to the Trustee as required by the Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Optional Redemption

Prior to the Current Interest Conversion Date, the 2023A Bonds are subject to redemption prior to maturity, at the option of the CAB, on any date, upon payment of a redemption price equal to the Accreted Value so redeemed as of the date of redemption without premium or penalty. On or after the Current Interest Conversion Date, the 2023A Bonds are subject to redemption, at the option of the CAB, on any date, upon payment of a redemption price equal to the principal amount, so redeemed plus accrued interest thereon to the date of redemption, without premium or penalty.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2023A Bonds (Continued)

Pledged Revenue

In accordance with the 2023A Bonds Indenture and the Second Amended and Restated Revenue Pledge Agreement, by and between the CAB and ATEC No. 1, the 2023A Bonds are allocated to the voted debt authorization of ATEC No. 1 and secured by and payable solely from and to the extent of Pledged Revenue, net of costs of collection, meaning: (a) the Debt Service Property Tax Revenues of ATEC No. 1; (b) the Debt Service Specific Ownership Tax Revenues of ATEC No. 1; (c) the Debt Service PILOT Revenues of the District; and (d) any other legally moneys which the CAB determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Debt Service Property Tax Revenues represents all moneys derived from imposition by ATEC No. 1 of its Required Debt Service Mill Levy, net of fees of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County.

District Required Debt Service Mill Levy

District Required Debt Service Mill Levy is an ad valorem mill levy imposed upon all taxable property of ATEC No. 1 each year, commencing in 2024 (for collection in 2025), in the amount of 29 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2004). Such mill levy shall be increased or decreased to reflect such changes so that to the extent possible, the actual tax revenues generated by such mill levy, as so adjusted, are neither diminished nor enhanced as a result of such changes.

The 2023A Bonds are additionally secured by amounts in the Surplus Fund (if any). Pledged Revenue that is not needed to pay debt service on the 2023A Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$2,574,029. Amounts on deposit in the Surplus Fund (if any) on the final maturity date of the 2023A Bonds are assumed to be applied to the payment of the 2023A Bonds.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2023A Bonds (Continued)

District Required Debt Service Mill Levy (Continued)

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

Year Ending December 31,	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	-	2,757,063	2,757,063
2029	-	2,757,063	2,757,063
2030-2034	1,435,000	13,684,175	15,119,175
2035-2039	3,920,000	12,692,175	16,612,175
2040-2044	6,710,000	10,772,888	17,482,888
2045-2049	10,740,000	7,596,550	18,336,550
2050-2053	12,770,000	2,577,650	15,347,650
Total	<u>\$ 35,575,000</u>	<u>\$ 52,837,563</u>	<u>\$ 88,412,563</u>

The annual debt service requirements of the 2021A and 2022B Bonds are not currently determinable since they are payable only to the extent of Pledged Revenue available, therefore, they are not included in the maturities above.

Authorized Debt

The CAB may issue debt, however, the CAB's authority to issue debt is limited by the limitations set forth in the Service Plans of each CAB District, individually. Each CAB District is limited in its ability to issue Debt as set forth in its individual Service Plan. TAH Nos. 1-6 and ATEC Nos. 1-2 are each limited to a total amount not to exceed \$4,000,000,000 (the "TAH Nos. 1-6 and ATEC Nos. 1-2 Service Plan Debt Issuance Limits"). AACMD is limited under its Service Plan to issue Debt in a total amount not to exceed \$8,000,000,000 (the "AACMD Service Plan Debt Issuance Limit"). The CAB may incur a maximum debt of \$8,000,000,000 the "CAB Debt Issuance Limit").

Electors of the CAB Districts voted to authorize debt issuance by power (such as water, sewer, or streets) on the dates provided below:

- AACMD: November 7, 2017
- TAH MD Nos. 1-3: November 8, 2016
- TAH MD Nos. 4 and 5: November 8, 2022
- TAH MD No. 6: May 2, 2023
- ATEC MD Nos. 1 and 2: November 5, 2019

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

As the actual costs of construction were not known it was not possible at the time of the elections for each respective CAB District to allocate the Service Plan Debt Issuance Limits by power. Therefore, the CAB Districts voted their respective Service Plan Debt Issuance Limit in every power resulting in the CAB Districts having voter authorization in excess of their respective Service Plan Debt Issuance Limits. However, in no event is the CAB authorized to issue Debt in excess of the CAB Debt Issuance Limit.

NOTE 6 AGREEMENTS

Mill Levy Policy Agreement

On June 30, 2020, the CAB and the CAB Districts entered into the Mill Levy Policy Agreement, which was amended and restated on December 22, 2021, to set forth the agreement of certain CAB Districts that the respective obligations of each CAB District under the CABEA and the applicable pledge agreements are fair and equitable in light of the benefits received by the CAB Districts (Amended and Restated Mill Levy Policy Agreement). Each CAB District, that is a party to the Amended and Restated Mill Levy Policy Agreement, agrees to cooperate and coordinate with each other to ensure that the mill levies determined by the CAB each year are imposed and transferred to the CAB in accordance with the applicable pledge agreements. The Amended and Restated Mill Levy Policy Agreement shall continue to be in effect until: (a) each CAB District agrees in writing to terminate the agreement; (b) no debt is outstanding; (c) all public improvements owned by the CAB or the CAB Districts have been conveyed to another governmental entity; and (d) all operations and maintenance obligations with respect to such public improvements and all other services performed by the CAB and the CAB Districts have been assumed by another governmental entity.

Revenue Pledge Agreements

On December 22, 2021, the CAB and each of the CAB Districts entered into separate Revenue Pledge Agreements (Pledge Agreements). Per the Pledge Agreements, each CAB District is required to impose a debt service mill levy and remit the revenue received to the CAB. The CAB has pledged revenues derived therefrom to the payment of the 2021 Bonds (Note 5). The Required Debt Service Mill Levy required to first be imposed by TAH No. 1 in levy year 2024 (for collection in 2025), by TAH Nos. 2-3, AACMD and ATEC No. 2 in the year during which the actual assessed valuation of the taxable property within the relevant CAB District is equal to or more than \$10,000,000.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 AGREEMENTS (CONTINUED)

Revenue Pledge Agreements (Continued)

The Pledge Agreements shall remain in effect until the date on which all amounts due with respect to the 2021 Bonds, the 2022B Bonds and other CAB bonds issued in the future have been defeased or paid in full, provided however, that if the payment obligation payable is not paid in full or defeased on such termination date, then the Districts shall continue to be obligated to levy the Required Debt Service Mill Levy and apply their Pledged Revenue to the repayment of such unpaid payment obligations; provided further, however, that in no event may TAH Nos. 1-3 and AACMD levy their Required Debt Service Mill Levy for longer than fifty (50) years after the year of the initial imposition of the Required Debt Service Mill Levy by the Districts in accordance with their Service Plans unless the Service Plans are amended to eliminate or extend such imposition term.

The Pledge Agreements additionally require the CAB Districts to impose the Required Operations Mill Levy. TAH Nos. 1-2 and AACMD are required to impose 70 mills less the number of mills equal to the Required Debt Service Mill Levy; and TAH No. 3 and ATEC Nos. 1-2 are required to impose the Required Operations Mill Levy not exceeding 70 and 35 mills respectively. Such number of mills is subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement on or after January 1, 2004, net of the costs of collections and any tax refunds or abatements authorized by or on behalf of the County. The Required Operations Mill Levy will be provided to the CAB for the purpose of funding the CAB's operating costs.

For the year ended December 31, 2024, the CAB collected \$2,074,665 in revenue resulting from the Required Operations Mill Levy.

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 AGREEMENTS (CONTINUED)

Inclusion Agreements

Effective June 29, 2020, AACMD entered into Inclusion Agreements with landowners (Owners) within its service area (Inclusion Agreements). Under the Inclusion Agreements, AACMD agreed to cause the inclusion of real property into one of the CAB Districts upon a triggering event. The Inclusion Agreements were amended and restated on December 22, 2021 and again on May 19, 2022 (Second Amended and Restated Inclusion Agreements). Under the Second Amended and Restated Inclusion Agreements, the Owners and AACMD agree to execute and process petitions for inclusion of real property into one of the CAB Districts upon the earlier to occur of (a) the transfer of title to real property to a third party, or (b) the issuance of a building permit for the real property. Upon inclusion of real property into any of the CAB Districts, such real property will be subject to the required mill levies imposed by the applicable CAB District.

Project Management Intergovernmental Agreement

On April 10, 2020, the CAB and AACMD entered into a Project Management Intergovernmental Agreement (CAB Project Management IGA) to set forth the parties' understanding regarding the terms under which AACMD will coordinate the design, testing, engineering, and construction of the Public Improvements (as defined in the CAB Project Management IGA) on behalf of the CAB Districts and the CAB.

Operation and Maintenance Fee Resolution

Pursuant to Resolution No. 2020-10-01, the CAB adopted an Operation and Maintenance Fee (the O&M Fee) to support the continuing operations and maintenance needs of certain facilities and improvements and to provide certain services for the benefit of and throughout the combined service areas of AACMD and TAH Nos. 1-3. The O&M Fee is imposed on each residential lot within TAH Nos. 1-3 in the amount of \$100/month and is subject to automatic annual adjustment based on the Consumer Price Index for the Denver-Aurora-Lakewood (CPI-U).

Facilities Fee Resolution

Pursuant to Resolution No. 2022-08-01, which amended and restated Resolution No. 2020-04-01, the CAB has adopted Facilities Fees on Residential and Commercial Property (the Facilities Fees) to support the financing and development of Public Improvements throughout the combined service areas of AACMD, TAH Nos. 1-6, and ATEC Nos. 1-2. The Facilities Fees are imposed on Commercial (\$1.00/ sq. ft.), Single-Family (\$2,500/unit), and Multi-Family (\$1,500/unit) development, with limited exceptions, and are due and payable within ten days of the issuance of a building permit for any qualifying usage.

Design Review Fee Resolution

Effective April 20, 2023, the CAB adopted Resolution No. 2023-04-01 to impose Design Review Fees to offset the administrative costs associated with the review of proposed private design improvements. The Design Review Fee for initial landscape designs was set at \$150, subject to annual review by the CAB Board of Directors.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 AGREEMENTS (CONTINUED)

Intergovernmental Agreement Regarding Sharing of Tax Revenue and Services

Effective January 1, 2021, the CAB and TAH No. 6 entered into an Intergovernmental Agreement Regarding Sharing of Tax Revenue and Services (TAH No. 6 IGA) pursuant to which the CAB agreed to provide for the planning, design, and construction of public improvements on behalf of TAH No. 6, and TAH No. 6 agreed to remit or transfer all ad valorem property taxes to the CAB within 30 days of the receipt thereof to cover all such costs. Subsequently, in 2022, TAH No. 6 adopted the CABEA, which addresses the same subject matter reflected in the TAH No. 6 IGA.

Intergovernmental Agreement Regarding Regional Transportation System Project Funding and Construction

Effective November 24, 2021, the CAB and Aerotropolis Regional Transportation Authority (ARTA) entered into an Intergovernmental Agreement Regarding Regional Transportation System Project Funding and Construction (RTS IGA). The RTS IGA allows the CAB, at its discretion and at different times during the term of the RTS IGA, to undertake or cause to be undertaken, as necessary, the planning, design, funding and/or completion of certain ARTA regional transportation system projects and accelerate the completion of such projects ahead of ARTA's intended milestones and capital construction schedule. In the event the CAB accelerates any regional transportation system projects under the RTS IGA, ARTA agrees to promptly reimburse the CAB for the actual costs incurred, subject to the availability of adequate funds and appropriations. From the effective date of the RTS IGA through 2024, the CAB provided for the funding of ARTA regional transportation system projects and accelerated the completion thereof. On December 10, 2024, ARTA reimbursed the CAB for such projects in the total amount of \$27,345,978.57.

PILOT Exception Agreement and PorterCare Operation Funding and Contribution Agreement

In December 2021, the CAB, PorterCare Adventist Health System (PorterCare), and ATEC No. 2, and other private entities including the Bondholder of certain of the CAB's bonds and Property Owners within the CAB's service area entered into a PILOT Exception Agreement to exempt approximately 40 acres of property (Exempt Property) later purchased by PorterCare from the Declaration Payment in Lieu of Taxes (PILOT) recorded for the benefit of the CAB in the real property records of Adams County at Reception No. 202000059148. In lieu of the PILOT, the CAB and PorterCare also entered into the PorterCare Operation Funding and Contribution Agreement, pursuant to which PorterCare agreed to contribute a \$4,000,000 Initial Contribution, a \$1,600,000 Additional Contribution in the event PorterCare fails to reach certain development thresholds, and annual payments to the CAB so long as the Exempt Property is owed by PorterCare or any other Tax-Exempt Entity. As of December 31, 2024, PorterCare was current in its obligation to the CAB.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 AGREEMENTS (CONTINUED)

Intergovernmental Agreement for the Funding and Reimbursement of Drainage Improvements

On October 12, 2022, the CAB and Windler Public Improvement Authority (Windler) entered into an IGA for the Funding and Reimbursement of Drainage Improvements (Windler IGA). The Windler IGA provides that the CAB will accelerate the design and construction of certain Drainage Improvements benefiting Windler, and in exchange Windler will pay the CAB a \$500,000 Project Acceleration Incentive. As of December 31, 2024, the Project Acceleration Incentive remains in escrow pending completion of the Drainage Improvements by the CAB.

Intergovernmental Agreement Regarding Maintenance of 38th Avenue Interchange

Effective as of June 13, 2024, the CAB, E-470 Public Highway Authority, and the City entered into an Intergovernmental Agreement Regarding Maintenance of 38th Avenue Interchange (38th Ave. IGA). Subject to the 38th Ave. IGA, the parties agree to maintain certain portions of the infrastructure. Such scope and standard of maintenance shall align with the 38th Ave. IGA.

Agreement Regarding Coordination of Facilities Funding for ATEC Development Area

On December 22, 2021, the CAB and Aurora Tech Center Development, LLC (ATCD LLC) entered into an Agreement Regarding Coordination of Facilities Funding for ATEC Development Area (ATEC Coordination Agreement). The ATEC Coordination Agreement sets forth rights, obligations, and procedures with respect to the issuance of the CAB obligations, construction of the ATEC Improvements (as defined in the ATEC Coordination Agreement), and reimbursement of ATCD LLC.

Landscape Reimbursement Agreement

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

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 NET POSITION

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

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

Restricted Net Position:

Emergency Reserves	\$ 83,200
Total Restricted Net Position	<u>\$ 83,200</u>

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. As of December 31, 2024, the CAB had deficit unrestricted net position in the amount of \$(82,940,800).

NOTE 8 RELATED PARTIES

The property within the CAB service area is being developed by AH LLC (Developer) and/or entities affiliated with the Developer. A significant portion of the property located within the CAB's service area is owned by entities affiliated with the Developer. The CAB has six Board members. Three of the six Board members of the CAB are affiliated with the Developer. Of the three members of the CAB Board who are not affiliated with the Developer, one is an employee of a company providing consulting services to AACMD, one is the spouse of the Board member who is an employee of the company providing such consulting services, and one is the spouse of a Board member who is affiliated with the Developer. As such, these Board members may have conflicts of interest in dealing with the CAB.

As of December 31, 2024, the Developer owed the Authority \$0.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 RELATED PARTIES (CONTINUED)

Capital Construction and Reimbursement Agreement (In-Tract Improvements)

On December 22, 2021, the CAB entered into the Amended and Restated Capital Construction and Reimbursement Agreement (Reimbursement Agreement) with AH LLC to amend and restate the Capital Construction and Reimbursement Agreement dated June 24, 2020. Pursuant to the Amended Reimbursement Agreement, AH LLC will, on occasion, advance funds to the CAB for the payment of Construction related expenses (as defined in the (Reimbursement Agreement). The Reimbursement Agreement also authorizes the CAB and AH LLC to enter into Waiver and Release of Reimbursement Rights Agreement(s) with builders providing that the builders of certain public improvements (In-Tract Improvements) within the CAB's service area waive any right to reimbursement for the Construction Related Expenses thereof in favor of reimbursement for all such costs to AH LLC. After acceptance of the In-Tract Improvements by the CAB, the verified costs thereof will be exchanged for equivalent value of 2021B Bonds and in accordance with the 2021B Bond Indenture. The costs of the improvements are to be certified by an independent engineer as being reasonable and comparable for similar projects constructed in the local community. The 2021B Bonds shall be issued to the Developer for equivalent value of verified costs and developer advances. As of December 31, 2024, the CAB has entered into Waiver and Release of Reimbursement Rights Agreements with Taylor Morrison of Colorado, Inc., Tri-Pointe Homes Holdings, Inc., Pulte Home Company, LLC, and Richmond American Homes of Colorado, Inc., Aurora Highlands, LLC, Weekley Homes, LLC and CND-VP Highlands LLC.

Amounts advanced to the CAB by AH LLC for the Verified Costs of Construction Related Expenses are to accrue interest at the rate of 8% per annum from the date of payment by AH LLC for In-Tract Improvements. Per the CABEA, in 2024, the CAB accepted prior capital costs certified by an independent engineer in the amount of \$16,766,434 and related interest in the amount of \$311,785.

Multiple-Year Operation Funding Agreement

The CAB and AH LLC entered into the Multiple-Year Operating Funding Agreement (OFA) on June 23, 2020, to provide funds to the CAB for operation and maintenance expenses incurred by the CAB. Per the OFA, AH LLC agrees to advance funds for ongoing operation and maintenance expenses incurred by the CAB through December 31, 2025, in the amount not to exceed \$4,000,000 (the Maximum Shortfall Amount). The CAB agrees to repay the advances from funds available after the payment of any debt service obligations and annual operation and maintenance expenses, which repayment is subject to annual budget appropriation. Simple interest shall accrue on each advance from the date of deposit at the rate of 8% per annum. In accordance with the OFA and the CABEA, the CAB shall repay in full advances made to AACMD by AH LLC and HC Development and Management Services Inc. pursuant to an Advance and Reimbursement Agreement dated January 19, 2005 and the 2017-2018 and 2019 Operations Funding Agreements, as amended, before any payments are to be made pursuant to the OFA. Pursuant to the CABEA, as acknowledged by the OFA, the CAB has assumed AACMD's reimbursement obligations. As of December 31, 2024, the CAB had \$173,000 of advances and accrued interest of \$13,099 outstanding under the OFA.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 ECONOMIC DEPENDENCY

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

NOTE 10 RISK MANAGEMENT

The CAB 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 CAB 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 CAB 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 that apply to the state of Colorado and all local governments.

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

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 CAB'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.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 12 SUBSEQUENT EVENT

Bond Anticipation Note, Series 2025

On June 5, 2025, the CAB issued its Bond Anticipation Note, Series 2025, in the aggregate principal amount of \$25,000,000 (the "BAN") for the purpose of financing, on an interim basis, a portion of the costs of construction and installing public improvements within the service area of the CAB. The BAN is the single bond anticipation note of a series in the aggregate principal amount of \$25,000,000. The BAN was authorized pursuant to an authorizing resolution of the Board of Directors of the CAB considered on first reading on May 15, 2025; considered and adopted on second reading on June 5, 2025; and supplemented by the BAN Sale Certificate dated June 5, 2025 (as so supplemented, the "BAN Resolution"). The BAN bears interest at the rate of 11.50% per annum, with a maturity date of December 31, 2025 (the "Maturity Date"). No payment of principal or interest on the BAN is due and payable prior to the Maturity Date. The BAN shall be payable solely from proceeds of one or more series of bonds or other financial obligations issued the CAB (the "Take-Out Bonds"). There is no lien or security interest in any revenue source or assets securing the BAN. The BAN does not constitute an obligation of the CAB payable from taxes or other revenue sources. The BAN is a special limited obligation of the CAB payable solely from the proceeds of Take-Out Bonds.

SUPPLEMENTARY INFORMATION

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budgets		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue - AACMD	\$ -	\$ -	\$ 422,317	\$ 422,317
Net Investment Income	500	500	828	328
Facilities Fees	350,000	600,000	439,000	(161,000)
Other Revenue	-	20,500	10,500	(10,000)
Total Revenues	<u>350,500</u>	<u>621,000</u>	<u>872,645</u>	<u>251,645</u>
EXPENDITURES				
2021A Bonds Interest	330,500	813,223	487,399	325,824
Bond Issue Costs	-	75,000	115,000	(40,000)
Legal	-	-	41,825	(41,825)
Paying Agent Fees	10,000	10,000	14,500	(4,500)
Contingency	10,000	10,000	-	10,000
Total Expenditures	<u>350,500</u>	<u>908,223</u>	<u>658,724</u>	<u>249,499</u>
NET CHANGE IN FUND BALANCE	-	(287,223)	213,921	501,144
Fund Balance - Beginning of Year	<u>-</u>	<u>287,223</u>	<u>287,223</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 501,144</u>	<u>\$ 501,144</u>

**THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 1,500,000	\$ 2,520,220	\$ 1,020,220
Developer Reimbursements	30,000,000	218,859	(29,781,141)
Intergovernmental Revenues	-	118,159	118,159
Repayment from ARTA	20,000,000	-	(20,000,000)
Total Revenues	<u>51,500,000</u>	<u>2,857,238</u>	<u>(48,642,762)</u>
EXPENDITURES			
Accounting	10,000	-	10,000
District Management	4,000	-	4,000
Legal	300,000	-	300,000
Bond Issue Costs	2,500,000	-	2,500,000
Capital Outlay	25,000,000	16,766,434	8,233,566
Intergovernmental Expense - AACMD Construction	80,000,000	51,962,531	28,037,469
Intergovernmental Expense - AACMD ARTA	20,000,000	9,234,267	10,765,733
Intergovernmental Expense - AACMD AF ATEC Spine	300,000	4,948,805	(4,648,805)
Intergovernmental Expense - AACMD Dev. Reimbursement	30,000,000	218,423	29,781,577
Total Expenditures	<u>158,114,000</u>	<u>83,130,460</u>	<u>74,983,540</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(106,614,000)	(80,273,222)	26,340,778
OTHER FINANCING SOURCES (USES)			
Developer Advance	-	16,766,434	16,766,434
Bond Issuance Proceeds	100,000,000	-	(100,000,000)
Repay Developer Advance	-	(15,194,306)	(15,194,306)
Total Other Financing Sources (Uses)	<u>100,000,000</u>	<u>1,572,128</u>	<u>(98,427,872)</u>
NET CHANGE IN FUND BALANCE	(6,614,000)	(78,701,094)	(72,087,094)
Fund Balance - Beginning of Year	<u>42,529,984</u>	<u>59,869,993</u>	<u>17,340,009</u>
FUND BALANCE - END OF YEAR	<u>\$ 35,915,984</u>	<u>\$ (18,831,101)</u>	<u>\$ (54,747,085)</u>

OTHER INFORMATION

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024

Bonds/Loans and Interest Maturing in the Year Ending December 31,	Value at Issuance \$ 25,740,291	Accretion	Accreted Value \$ 26,247,235	\$25,740,291 Capital Appreciation Bonds \$35,575,000 Value at Interest Conversion Date Dated August 29, 2023 Interest Payable June 1 and December 1 Principal Payable December 1		
				Principal	Interest	Total
2023		\$ -	\$ 26,247,235	\$ -	\$ -	\$ -
2024		-	28,318,767	-	-	-
2025				-	-	-
2026				-	-	-
2027				-	-	-
2028				-	2,757,063	2,757,063
2029				-	2,757,063	2,757,063
2030				-	2,757,063	2,757,063
2031				-	2,757,063	2,757,063
2032				425,000	2,757,063	3,182,063
2033				455,000	2,724,125	3,179,125
2034				555,000	2,688,863	3,243,863
2035				595,000	2,645,850	3,240,850
2036				710,000	2,599,738	3,309,738
2037				765,000	2,544,713	3,309,713
2038				890,000	2,485,425	3,375,425
2039				960,000	2,416,450	3,376,450
2040				1,100,000	2,342,050	3,442,050
2041				1,185,000	2,256,800	3,441,800
2042				1,345,000	2,164,963	3,509,963
2043				1,450,000	2,060,725	3,510,725
2044				1,630,000	1,948,350	3,578,350
2045				1,760,000	1,822,025	3,582,025
2046				1,965,000	1,685,625	3,650,625
2047				2,120,000	1,533,338	3,653,338
2048				2,355,000	1,369,038	3,724,038
2049				2,540,000	1,186,525	3,726,525
2050				2,810,000	989,675	3,799,675
2051				3,025,000	771,900	3,796,900
2052				3,340,000	537,463	3,877,463
2053				3,595,000	278,613	3,873,613
Total				\$ 35,575,000	\$ 52,837,563	\$ 88,412,563

The 2021 Bonds and 2022 Bonds are cash flow bonds. Payments are due based on extent of available pledged revenue. The annual debt service requirements of the bonds are not currently determinable so debt service requirements are not presented.