

Aurora Crossroads Metropolitan District No. 2

Financial Statements

Year Ended December 31, 2022

with

Independent Auditor's Report

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Board of Directors
Aurora Crossroads Metropolitan District No. 2
Arapahoe County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Aurora Crossroads Metropolitan District No. 2 (the "District"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Aurora Crossroads Metropolitan District No. 2 as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplemental Information

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

Supplemental Information

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

Continuing Disclosure Annual Financial Information

The continuing disclosure annual financial information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

September 28, 2023

Aurora Crossroads Metropolitan District No. 2

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 502,971	\$ -	\$ -	\$ 502,971	\$ -	\$ 502,971
Cash and investments - Restricted	7,382	5,975,699	20,405,388	26,388,469	-	26,388,469
Receivable - County Treasurer	2,173	9,876	-	12,049	-	12,049
Property taxes receivable	<u>418,798</u>	<u>1,903,628</u>	<u>-</u>	<u>2,322,426</u>	<u>-</u>	<u>2,322,426</u>
Total Assets	<u>\$ 931,324</u>	<u>\$ 7,889,203</u>	<u>\$ 20,405,388</u>	<u>\$ 29,225,915</u>	<u>-</u>	<u>29,225,915</u>
LIABILITIES						
Due to Aurora Crossroads Metro District No. 1	\$ 439,045	\$ -	\$ 1,714,045	\$ 2,153,090	-	2,153,090
Regional mill levy payable	62,308	-	-	62,308	-	62,308
Accrued interest	-	-	-	-	112,188	112,188
Long-term liabilities:						
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,754,639</u>	<u>48,754,639</u>
Total Liabilities	<u>501,353</u>	<u>-</u>	<u>1,714,045</u>	<u>2,215,398</u>	<u>48,866,827</u>	<u>51,082,225</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	<u>418,798</u>	<u>1,903,628</u>	<u>-</u>	<u>2,322,426</u>	<u>-</u>	<u>2,322,426</u>
Total Deferred Inflows of Resources	<u>418,798</u>	<u>1,903,628</u>	<u>-</u>	<u>2,322,426</u>	<u>-</u>	<u>2,322,426</u>
FUND BALANCES/NET POSITION						
Restricted:						
Emergencies	7,382	-	-	7,382	(7,382)	-
Debt service	-	5,985,575	-	5,985,575	(5,985,575)	-
Capital projects	-	-	18,691,343	18,691,343	(18,691,343)	-
Unassigned	<u>3,791</u>	<u>-</u>	<u>-</u>	<u>3,791</u>	<u>(3,791)</u>	<u>-</u>
Total Fund Balances	<u>11,173</u>	<u>5,985,575</u>	<u>18,691,343</u>	<u>24,688,091</u>	<u>(24,688,091)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 931,324</u>	<u>\$ 7,889,203</u>	<u>\$ 20,405,388</u>	<u>\$ 29,225,915</u>		
Net Position:						
Restricted for:						
Emergencies					7,382	7,382
Debt service					5,873,387	5,873,387
Capital projects					18,691,343	18,691,343
Unrestricted					<u>(48,750,848)</u>	<u>(48,750,848)</u>
Total Net Position					<u>\$ (24,178,736)</u>	<u>\$ (24,178,736)</u>

The notes to the financial statements are an integral part of these statements.

Aurora Crossroads Metropolitan District No. 2

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Treasurer's fees	\$ 6,355	\$ 31,773	\$ -	\$ 38,128	\$ -	\$ 38,128
Treasurer's fees ARI	635	-	-	635	-	635
Transfers to Aurora Crossroads Metro District No. 1	444,025	-	16,782,031	17,226,056	-	17,226,056
Aurora regional improvements	44,402	-	-	44,402	-	44,402
Bond interest expense	-	1,346,250	-	1,346,250	1,527,875	2,874,125
Trustee fees	-	7,000	500	7,500	-	7,500
Total Expenditures	<u>495,417</u>	<u>1,385,023</u>	<u>16,782,531</u>	<u>18,662,971</u>	<u>1,527,875</u>	<u>20,190,846</u>
GENERAL REVENUES						
Property taxes	423,635	2,118,174	-	2,541,809	-	2,541,809
Specific ownership taxes	26,745	133,724	-	160,469	-	160,469
Property taxes ARI	42,363	-	-	42,363	-	42,363
Specific ownership taxes ARI	2,674	-	-	2,674	-	2,674
Interest income	11,093	102,289	386,650	500,032	-	500,032
Total General Revenues	<u>506,510</u>	<u>2,354,187</u>	<u>386,650</u>	<u>3,247,347</u>	<u>-</u>	<u>3,247,347</u>
NET CHANGES IN FUND BALANCES	11,093	969,164	(16,395,881)	(15,415,624)	15,415,624	
CHANGE IN NET POSITION					(16,943,499)	(16,943,499)
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	80	5,016,411	35,087,224	40,103,715	(47,338,952)	(7,235,237)
END OF YEAR	<u>\$ 11,173</u>	<u>\$ 5,985,575</u>	<u>\$ 18,691,343</u>	<u>\$ 24,688,091</u>	<u>\$(48,866,827)</u>	<u>\$(24,178,736)</u>

The notes to the financial statements are an integral part of these statements.

Aurora Crossroads Metropolitan District No. 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2022

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 423,634	\$ 423,635	\$ 1
Specific ownership taxes	33,891	26,745	(7,146)
Property taxes ARI	42,363	42,363	-
Specific ownership taxes ARI	3,389	2,674	(715)
Interest income	<u>100</u>	<u>11,093</u>	<u>10,993</u>
Total Revenues	<u>503,377</u>	<u>506,510</u>	<u>3,133</u>
EXPENDITURES			
Treasurer's fees	6,355	6,355	-
Treasurer's fees ARI	635	635	-
Transfers to Aurora Crossroads Metro District No. 1	200,000	444,025	(244,025)
Aurora regional improvements	46,387	44,402	1,985
Contingency	249,100	-	249,100
Emergency reserve	<u>1,900</u>	<u>-</u>	<u>1,900</u>
Total Expenditures	<u>504,377</u>	<u>495,417</u>	<u>8,960</u>
NET CHANGE IN FUND BALANCE	(1,000)	11,093	12,093
FUND BALANCE:			
BEGINNING OF YEAR	<u>1,000</u>	<u>80</u>	<u>(920)</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 11,173</u>	<u>\$ 11,173</u>

The notes to the financial statements are an integral part of these statements.

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements December 31, 2022

Note 1: Summary of Significant Accounting Policies

The accounting policies of Aurora Crossroads Metropolitan District No. 2, located in Arapahoe County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on May 27, 2008, as a quasi-municipal organization established under the State of Colorado Special District Act. The District operates pursuant to a service plan approved by the City of Aurora on June 1, 2020 (the “Service Plan”). The District, along with Aurora Crossroads Metropolitan Districts No. 1 and No. 3 (“District No. 1” and “District No. 3”, respectively, and collectively as “Districts”) were established to finance, construct and maintain certain public infrastructure improvements that benefit the citizens of the Districts. District No. 1 was established as the Coordinating District while District Nos. 2 and 3 are the Financing Districts. In May 2022, District No. 3 bifurcated the Service Plan and no longer operates with District Nos. 1 or 2. District No. 3 has since changed its name to Crossroads East MD. The District's primary source of revenues is property taxes and specific ownership taxes.

The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements December 31, 2022

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements December 31, 2022

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. 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 appropriation is at the total fund expenditures level and lapses at year end.

In October 2022, the District amended its total appropriations in the Capital Projects Fund from \$1,500,000 to \$12,905,120 primarily due to the increase in the transfers to District No. 1 for capital project expenditures over the amount budgeted and in the Debt Service Fund from \$1,385,023 to \$1,861,757 due to the estimated increase in revenues received for debt payments over the amount budgeted. On September 28, 2023, the District further amended its total appropriations in the Capital Projects Fund from \$12,905,120 to \$16,799,000 due to the increase in the transfers to District No. 1 for capital project expenditures over the amount budgeted.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements December 31, 2022

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 minimum number of bank accounts. 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.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Original Issue Discount

Original issue premium from the Series 2020 Bonds are being amortized over the term of the bonds using the interest method. Accumulated amortization of original issue premium amounted to \$38,588 at December 31, 2022 (See Note 3).

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable 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 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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Notes to Financial Statements December 31, 2022

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2022.

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 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally 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 inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

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Notes to Financial Statements December 31, 2022

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$7,382 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$5,985,575 is restricted for the payment of the debt service costs associated with the Limited Tax General Obligation Bonds Series 2020A and 2020B (see Note 3).

The restricted fund balance in the Capital Projects Fund in the amount of \$18,691,343 is restricted for the payment of the costs for capital improvements within the District.

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements
December 31, 2022

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

The District has a deficit in unrestricted net position as of December 31, 2022. This deficit amount is the result of the District being responsible for the payment of debt issued for public improvements that were conveyed to other governmental entities and which costs were removed from the District’s financial records.

Note 2: Cash and Investments

As of December 31, 2022, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 502,971
Cash and investments - Restricted	<u>26,388,469</u>
Total	<u>\$ 26,891,440</u>

Cash and investments as of December 31, 2022, consist of the following:

Investments - COLOTRUST	<u>\$ 26,891,440</u>
	<u>\$ 26,891,440</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements December 31, 2022

The District follows state statutes for deposits. The District had no deposits as of December 31, 2022.

Investments

Credit Risk

The District has elected to follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Investment Valuation

Certain investments are measured at fair value 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; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method ("NAV") per share.

As of December 31, 2022, the District had the following investment:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements
December 31, 2022

connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2022, the District had \$26,891,440 invested in COLOTRUST Plus+.

Note 3: Long Term Debt

A description of the long-term obligations as of December 31, 2022, is as follows:

\$26,925,000 Limited Tax General Obligation Bonds, Series 2020A

On September 10, 2020, the District issued \$26,925,000 of Limited Tax General Obligation Bonds, Series 2020A, ("2020A Bonds"), for the purpose of (i) financing public improvements, including, but not limited to, streets, water system improvements, and sanitary sewer improvements; (ii) fund capitalized interest; (iii) fund the Senior Reserve Fund; and (iv) pay the costs of issuance of the 2020A Bonds and 2020B Bonds. The 2020A Bonds bear interest at the rate of 5%, payable semiannually on each June 1 and December 1, commencing on December 1, 2020, and mature on December 1, 2050. The 2020A Bonds are secured by and payable from Senior Pledged Revenues including the Senior Required Mill Levy, the portion of Specific Ownership Tax related to the Senior Required Mill Levy, the PILOT revenues, and any other moneys determined by the District. The 2020A Bonds are further secured by amounts deposited into the Capitalized Interest Fund of \$3,668,531, the Senior Reserve Fund of \$2,104,000, and the Senior Surplus Fund which is required to be funded with excess Senior Pledged Revenue, if any, up to the Maximum Surplus Amount of \$2,692,500. At December 31, 2022, the balances of the Capitalized Interest Fund, Senior Reserve Fund and the Senior Surplus Fund are \$1,379,937, \$2,111,054 and \$0, respectively. Any amount of unpaid principal or interest on the 2020A Bonds shall be deemed discharged on December 2, 2060.

\$18,075,000 Limited Tax General Obligation Bonds, Series 2020B

On September 10, 2020, the District issued \$18,075,000 of Limited Tax General Obligation Bonds, Series 2020B, ("2020B Bonds"), for the purpose of financing public improvements. The 2020B Bonds bear interest at the rate of 7.750%, payable annually on December 15, commencing on December 1, 2020, and mature on December 15, 2050. The 2020B Bonds are secured by and payable from Subordinate Pledged Revenues including the Subordinate Required Mill Levy, the portion of Specific Ownership Tax related to the Subordinate Required Mill Levy, the Subordinate PILOT revenues, and all amounts in the Senior Surplus Fund released after payment in full of the principal of, premium, if any, and interest on the 2020A Bonds. Any amount of unpaid principal or interest on the 2020B Bonds shall be deemed discharged on December 16, 2060.

The 2020B Bonds are structured as "cash flow" bonds, meaning the 2020B Subordinate Indenture contains no scheduled payments of principal other than maturity. Therefore, no debt service schedule is available.

Aurora Crossroads Metropolitan District No. 2

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December 31, 2022

The 2020A Bonds and 2020B Bonds are subject to early redemption at the option of the District commencing September 1, 2025, with a redemption premium equal to the principal amount so redeemed, as follows.

Date of Redemption	Redemption Premium
September 1, 2025, to August 31, 2026	3.00%
September 1, 2026, to August 31, 2027	2.00
September 1, 2027, to August 31, 2028	1.00
September 1, 2028, and thereafter	0.00

Events of Default as defined in the Limited Offering Memorandum are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Failure to pay the principal of or interest on the Series 2020A Bonds or 2020B Bonds when due shall not, of itself, constitute an Event of Default under the Indenture. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2020A Bonds or 2020B Bonds is not an available remedy for an Event of Default.

The following is a summary of the annual long-term debt principal and interest requirements of the 2020A Bonds.

	Principal	Interest	Total
2023	\$ -	\$ 1,346,250	\$ 1,346,250
2024	95,000	1,346,250	1,441,250
2025	200,000	1,341,500	1,541,500
2026	255,000	1,331,500	1,586,500
2027	370,000	1,318,750	1,688,750
2028-2032	2,480,000	6,273,250	8,753,250
2033-2037	3,635,000	5,544,500	9,179,500
2038-2042	5,180,000	4,488,750	9,668,750
2043-2047	7,130,000	3,009,000	10,139,000
2048-2050	7,580,000	874,000	8,454,000
	\$ 26,925,000	\$ 26,873,750	\$ 53,798,750

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements
December 31, 2022

The following is an analysis of changes in long-term debt for the year ending December 31, 2022:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022	Current Portion
General Obligation Bonds					
G.O. Bonds 2020A	\$ 26,925,000	\$ -	\$ -	\$ 26,925,000	\$ -
G.O. Bonds 2020B - Principal	18,075,000	-	-	18,075,000	-
G.O. Bonds 2020B - Interest	1,863,297	1,545,218	-	3,408,515	-
Original issue premium	363,467	-	17,343	346,124	-
	<u>\$ 47,226,764</u>	<u>\$ 1,545,218</u>	<u>\$ 17,343</u>	<u>\$ 48,754,639</u>	<u>\$ -</u>

Debt Authorization

As of December 31, 2022, the District had remaining voted debt authorization of approximately \$2,885,000,000. The District amended their 2023 Budget for the issuance of \$18,000,000 in new debt. Per the District’s Service Plan, the District and District No. 1 cannot issue debt in excess of \$45,000,000.

Note 4: Other Agreements

Intergovernmental Agreement

On October 17, 2008, the District and District Nos.1 and 3 entered into an intergovernmental agreement with the City of Aurora (“City”) which imposes certain restrictions and contractual provisions upon the Districts which are consistent with the Service Plan. Only July 20, 2020, the Districts entered into an amended and restated Intergovernmental Agreement with the City as required by the Service Plan. On May 22, 2023, the Districts entered into another Amended and Restated IGA with the City as required by the Service Plan to remove District No. 3 as a party.

Regional Improvement Authority

On November 10, 2008 (and as amended in 2012, 2018, and 2019), the Districts, and the City, along with Cornerstar Metropolitan District, Eagles Nest Metropolitan District, Iliff Commons Metropolitan District Nos. 2 and 3, and Murphy Creek Metropolitan District Nos 1, 2, 4, and 5, entered into the Aurora Regional Improvement Authority No. 5 Establishment Agreement (“ARI Agreement”). The ARI Agreement was also amended in 2022 and 2023 to add Yale MD Nos. 1-3 and Cielo Colorado MD. Pursuant to the ARI Agreement, Aurora Regional Improvement Authority No. 5 (“Regional Authority”) was created. The Regional Authority is expected to be funded by its metropolitan district members using the revenues from the ARI Mill Levy for the purpose of planning, designing, installing, or financing certain community improvement projects. To date, the Regional Authority has not funded any improvements or engaged in any other material activities.

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements December 31, 2022

Funding and Reimbursement Agreements

The District and the Developer entered into a Funding and Reimbursement Agreement dated as of July 1, 2020 (“O&M Agreement”). Pursuant to the O&M Agreement, the Developer agrees to loan the District an amount no to exceed \$200,000 per annum for two years through December 31, 2021, up to \$400,000. Thereafter, the Developer may agree to renew its obligations thereunder on an annual basis. Simple interest shall accrue on this loan at a rate of 6.5% per annum. On September 16, 2021, the O&M Agreement was amended to increase the loan amount to \$400,000 and extend the term to December 31, 2023. As of December 31, 2022, no maturity date has been determined and nothing is due to the Developer under this agreement.

Public Improvement Agreements

On July 1, 2020, the District and the Developer entered into a Public Improvements Acquisition and Reimbursement Agreement (“Public Improvements Agreement”). Pursuant to the Public Improvements Agreement, the Developer agrees to finance, construct, and install certain Public Improvements for the benefit of the District, and the District agrees to reimburse the Developer for such costs, with simple interest accruing at 7% per annum. As of December 31, 2022, no amount is due to the Developer under this agreement.

JPMorgan Public Improvements Agreement

As of the date the 2020A and 2020B Bonds were issued, the District and JPMorgan Chase Bank & Co. (“JPMorgan”) have agreed to the JPMorgan Public Improvements Agreement (“JPM Agreement”). Pursuant to the JPM Agreement, JPMorgan agrees to finance, construct, and install certain Public Improvements for the benefit of the District, and the District agrees to reimburse JPMorgan for such costs, with interest, in an amount of up to \$7,100,000. JPMorgan has represented that \$3,300,000 has already been spent and expects to spend an additional \$4,850,000. As of December 31, 2022, these amounts have not been certified or paid to JPMorgan. The District accepted \$1,221,093 in eligible reimbursement costs on June 13, 2023. Notice of termination of the JPM Agreement was provided by the District to JPMorgan on June 13, 2023.

Escrow Agreement

The District, the Developer, and UMB Bank, n.a. (“Escrow Agent”), entered into an Escrow Agreement prior to the issuance of the Bonds (“Escrow Agreement”). In the Escrow Agreement, the Escrow Agent agrees to establish an account for the purpose of holding a portion of the proceeds of the bonds. Such funds shall be subject to requisition by the District and used to directly fund costs related to the acquisition, construction, and installation of certain public improvements related to the land sold by the Developer to the Sisters of Charity of Leavenworth Health Systems, Inc. (“SCL Property”) on July 23, 2020, within the District and/or reimburse the Developer for costs advanced to acquire, construct, and install such public improvements within the District or benefitting the Project pursuant to the Public Improvements Agreement. The Escrow Agreement shall terminate upon the earlier to occur of (i) all proceeds of the 2020A and 2020B Bonds are released from the Escrow Account to pay eligible costs connected with

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements December 31, 2022

the SCL Property public improvements; (ii) the date on which all of the eligible costs with respect to such public improvements with bond proceeds deposited with the Escrow Account have so been financed, or (iii) three years from the date of issuance of the Bonds.

QTS Public Improvements Agreement

In April 2021, the District, Aurora Crossroads LLC (“AC”), and QTS Aurora LLC (“QTS”) entered into a Public Improvements Acquisition and Reimbursement Agreement (“QTS Agreement”). Pursuant to the QTS Agreement, QTS agrees to finance, construct, and install certain Public Improvements for the benefit of the District, and the District agrees to reimburse QTS or AC for such costs. As of December 31, 2022, no amounts have been certified under the QTS Agreement.

District Coordinating Services Agreement

On October 31, 2019, the Districts entered into a District Coordinating Services Agreement where as District No. 1 agrees to perform administrative services for all three Districts and agrees to own, operate and maintain all Public Improvements within the boundaries of the Districts that are not otherwise conveyed to the City or other public entity. On March 31, 2022, District No. 3 terminated the District Coordinating Services Agreement with District No. 1. The District agrees to pay all costs, fees, charges, and expenses incurred by District No. 1 in providing these services.

Note 5: Related Parties

All of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 6: Tax, Spending and Debt Limitations

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

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

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

Aurora Crossroads Metropolitan District No. 2

Notes to Financial Statements
December 31, 2022

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.

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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 8: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and,
- 2) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

Aurora Crossroads Metropolitan District No. 2

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Property taxes	\$ 2,118,171	\$ 2,118,171	\$ 2,118,174	\$ 3
Specific ownership taxes	169,454	133,800	133,724	(76)
Interest income	<u>\$ 2,000</u>	<u>49,000</u>	<u>102,289</u>	<u>53,289</u>
Total Revenues	<u>2,289,625</u>	<u>2,300,971</u>	<u>2,354,187</u>	<u>53,216</u>
EXPENDITURES				
Bond interest expense	1,346,250	1,822,984	1,346,250	476,734
Trustee fees	7,000	7,000	7,000	-
Treasurer's fees	<u>31,773</u>	<u>31,773</u>	<u>31,773</u>	<u>-</u>
Total Expenditures	<u>1,385,023</u>	<u>1,861,757</u>	<u>1,385,023</u>	<u>476,734</u>
NET CHANGE IN FUND BALANCE	904,602	439,214	969,164	529,950
FUND BALANCE:				
BEGINNING OF YEAR	<u>5,223,112</u>	<u>5,016,411</u>	<u>5,016,411</u>	<u>-</u>
END OF YEAR	<u><u>\$ 6,127,714</u></u>	<u><u>\$ 5,455,625</u></u>	<u><u>\$ 5,985,575</u></u>	<u><u>\$ 529,950</u></u>

Aurora Crossroads Metropolitan District No. 2

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Interest income	\$ 15,000	\$ 15,000	\$ 386,650	\$ 371,650
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>386,650</u>	<u>371,650</u>
EXPENDITURES				
Transfers to Aurora Crossroads Metro District No. 1	1,500,000	16,798,500	16,782,031	16,469
Trustee fees	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>
Total Expenditures	<u>1,500,000</u>	<u>16,799,000</u>	<u>16,782,531</u>	<u>16,469</u>
NET CHANGE IN FUND BALANCE	(1,485,000)	(16,784,000)	(16,395,881)	388,119
FUND BALANCE:				
BEGINNING OF YEAR	<u>35,510,061</u>	<u>35,087,224</u>	<u>35,087,224</u>	<u>-</u>
END OF YEAR	<u>\$ 34,025,061</u>	<u>\$ 18,303,224</u>	<u>\$ 18,691,343</u>	<u>\$ 388,119</u>

Aurora Crossroads Metropolitan District No. 2

SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED

December 31, 2022

(Unaudited)

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
		2021	\$ 16,989,749	11.000	50.000	
2002	\$ 42,363,411	11.000	50.000	\$ 2,584,168	\$2,584,172	100.00%
Estimated for year ending December 31, 2023	\$ 38,072,556	11.000	50.000	\$ 2,322,426		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION – UNAUDITED

Aurora Crossroads Metropolitan District No. 2

CONTINUING DISCLOSURE ANNUAL
FINANCIAL INFORMATION
December 31, 2022
(Unaudited)

History of Assessed Valuations and Mill Levies for the District

Levy Year	Collection Year	Assessed Valuation	Percent Increase	Mill Levies
				Total
2015	2016	\$ 5,890	0.00%	0.000
2016	2017	6,570	11.54%	0.000
2017	2018	12,134	84.69%	0.000
2018	2019	15,134	24.72%	0.000
2019	2020	2,045,616	13416.69%	0.000
2020	2021	16,989,749	730.54%	61.000
2021	2022	42,363,411	149.35%	61.000
2022	2023	38,072,556	-10.13%	61.000

Source: Arapahoe County Assessor's Office

Assessed Valuation of Classes of Property in the District

Property Class	2022 Total Assessed	Percentage of
	Valuation	Total Assessed Valuation
Commerical	\$ 38,057,492	99.96%
Agricultural	3,264	0.01%
State Assessed	11,800	0.03%
	<u>\$ 38,072,556</u>	<u>100.00%</u>

Source: Arapahoe County Assessor's Office

Ten Largest Owners of Taxable Property within the District

Taxpayer Name	2022 Assessed	Percentage of
	Valuation	Total Assessed Valuation (1)
JPMorgan Chase Bank	\$ 38,055,109	99.95%
Public Svc of Colorado	11,400	0.03%
QTS Aurora LLC	2,604	0.01%
Aurora Crossroads LLC	660	0.00%
American Fence Company	602	0.00%
Verdant Commercial Capital LLC	548	0.00%
Brand Industrial Services INC	430	0.00%
Lumen Qwest Corp Property Tax	400	0.00%
CBRE INC	322	0.00%
Aramark Refreshment Services	271	0.00%
Total	<u>\$ 38,072,346</u>	<u>99.99%</u>

Source: Arapahoe County Assessor's Office

Aurora Crossroads Metropolitan District No. 2

CONTINUING DISCLOSURE ANNUAL
FINANCIAL INFORMATION
December 31, 2022
(Unaudited)

Selected Debt Ratios of the District

	Senior Debt (1)	All Debt (2)
Direct Debt of the District	\$ 26,925,000	\$ 45,000,000
Overlapping Debt (3)	216,288	216,288
Total Direct Debt and Overlapping Debt	\$ 27,141,288	\$ 45,216,288
2022 District Assessed Valuation	\$ 38,072,556	\$ 38,072,556
Ratio of Direct Debt to 2022 District Certified Assessed Valuation	70.72%	118.20%
Ratio of Direct Debt Plus Overlapping Debt to 2022 District Certified Assessed Valuation	71.29%	118.76%
2022 District Statutory "Actual" Value (4)	131,285,780	131,285,780
Ratio of Direct Debt to 2022 District Statutory "Actual" Value	20.51%	34.28%
Ratio of Direct Debt Plus Overlapping Debt to 2022 District Statutory "Actual" Value	20.67%	34.44%

(1) Represents the 2020A Senior Bonds

(2) Represents the 2020A Senior Bonds and the 2020B Subordinate Bonds

(3) Figure is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt.

(4) This figure has been calculated using a statutory formula under which assessed valuation is calculated at 7.15% of the statutory "actual" value of residential property in the District, and 29% of the statutory "actual" value of other property within the District (with certain specified exceptions). Statutory "actual" value is not intended to represent market value.