

**AVIATION STATION NORTH METROPOLITAN
DISTRICT NO. 2
Denver County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

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Board of Directors
Aviation Station North Metropolitan District No. 2
Denver County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Aviation Station North Metropolitan District No. 2 (the “District”), as of and for the year ended December 31, 2023, 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 Aviation Station North Metropolitan District No. 2 as of December 31, 2023, 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 Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information 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 supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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.

Wipfli LLP
Wipfli LLP
Denver, Colorado

August 29, 2024

BASIC FINANCIAL STATEMENTS

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	\$ 4,053,680
Receivable from Aviation Station North Metro District No. 3	8,810
Public Improvement Fees Receivable	17,002
Receivable from County Treasurer	3,007
Property Taxes Receivable	840,276
Total Assets	4,922,775
LIABILITIES	
Payable to Aviation Station North Metro District No. 1	1,153
Bond Interest Payable	102,083
Noncurrent Liabilities:	
Due Within One Year	350,000
Due in More Than One Year	31,921,651
Total Liabilities	32,374,887
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	840,276
Total Deferred Inflows of Resources	840,276
NET POSITION	
Unrestricted	(28,292,388)
Total Net Position	\$ (28,292,388)

See accompanying Notes to Basic Financial Statements.

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General Government	\$ 715,308	\$ 322,366	\$ -	\$ (392,942)
Interest and Related Costs on Long-Term Debt	<u>1,853,946</u>	<u>-</u>	<u>-</u>	<u>(1,853,946)</u>
Total Governmental Activities	<u>\$ 2,569,254</u>	<u>\$ 322,366</u>	<u>\$ -</u>	<u>(2,246,888)</u>
GENERAL REVENUES				
Property Taxes				755,423
Specific Ownership Taxes				42,590
Public Improvement Fees				104,165
Net Investment Income				224,694
Total General Revenues				<u>1,126,872</u>
CHANGE IN NET POSITION				(1,120,016)
Net Position - Beginning of Year				<u>(27,172,372)</u>
NET POSITION - END OF YEAR				<u>\$ (28,292,388)</u>

See accompanying Notes to Basic Financial Statements.

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	\$ -	\$ 3,360,819	\$ 692,861	\$ 4,053,680
Receivable from Aviation Station North Metro District No. 3	-	8,810	-	8,810
Public Improvement Fees Receivable	-	17,002	-	17,002
Receivable from County Treasurer	501	2,506	-	3,007
Property Taxes Receivable	136,619	703,657	-	840,276
	<u>\$ 137,120</u>	<u>\$ 4,092,794</u>	<u>\$ 692,861</u>	<u>\$ 4,922,775</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Payable to Aviation Station North Metro District No. 1	\$ 501	\$ 652	\$ -	\$ 1,153
Total Liabilities	501	652	-	1,153
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	136,619	703,657	-	840,276
Total Deferred Inflows of Resources	136,619	703,657	-	840,276
FUND BALANCE				
Restricted for:				
Debt Service	-	3,388,485	-	3,388,485
Capital Projects	-	-	692,861	692,861
Total Fund Balance	<u>-</u>	<u>3,388,485</u>	<u>692,861</u>	<u>4,081,346</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 137,120</u>	<u>\$ 4,092,794</u>	<u>\$ 692,861</u>	

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

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	(29,784,000)
Senior Bond Interest Payable	(102,083)
Accrued Interest on Subordinate Bonds Payable	(1,882,572)
Bond Premium Payable	(605,079)

Net Position of Governmental Activities	<u>\$ (28,292,388)</u>
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See accompanying Notes to Basic Financial Statements.

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 125,904	\$ 465,844	\$ -	\$ 591,748
Specific Ownership Taxes	7,098	26,264	-	33,362
Net Investment Income	1	173,653	51,040	224,694
Property Taxes DIA	-	163,675	-	163,675
Specific Ownership Taxes DIA	-	9,228	-	9,228
Public Improvement Fees	-	104,165	-	104,165
Transfers from Aviation Station North Metro District No. 3	-	322,366	-	322,366
Total Revenues	<u>133,003</u>	<u>1,265,195</u>	<u>51,040</u>	<u>1,449,238</u>
EXPENDITURES				
County Treasurer's Fees	1,259	6,295	-	7,554
Transfers to Aviation Station North Metro District No. 1	131,744	171,268	582,305	885,317
Debt Service:				
Bond Interest - Series 2019	-	1,225,200	-	1,225,200
Bond Principal - Series 2019	-	5,000	-	5,000
Paying Agent Fees	-	7,000	-	7,000
Total Expenditures	<u>133,003</u>	<u>1,414,763</u>	<u>582,305</u>	<u>2,130,071</u>
NET CHANGE IN FUND BALANCE	-	(149,568)	(531,265)	(680,833)
Fund Balance - Beginning of Year	<u>-</u>	<u>3,538,053</u>	<u>1,224,126</u>	<u>4,762,179</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 3,388,485</u>	<u>\$ 692,861</u>	<u>\$ 4,081,346</u>

See accompanying Notes to Basic Financial Statements.

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Governmental Funds \$ (680,833)

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

Long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond Principal 5,000

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

Accrued Interest on Bonds - Change in Liability	17
Accrued Interest on Subordinate Bonds - Change in Liability	(479,138)
Bond Premium Amortization	<u>34,938</u>

Change in Net Position of Governmental Activities \$ (1,120,016)

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 127,179	\$ 125,904	\$ (1,275)
Specific Ownership Taxes	6,359	7,098	739
Net Investment Income	100	1	(99)
Other Income	5,000	-	(5,000)
Total Revenues	138,638	133,003	(5,635)
EXPENDITURES			
County Treasurer's Fees	1,272	1,259	13
Transfers to Aviation Station North Metro District No. 1	132,366	131,744	622
Contingency	5,000	-	5,000
Total Expenditures	138,638	133,003	5,635
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 DEFINITION OF REPORTING ENTITY

Aviation Station North Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver, Colorado recorded on May 29, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located entirely within the City and County of Denver, Colorado (Denver).

The District was established to provide financing for the acquisition, construction, completion, and operation and maintenance of public improvements, including all streets, traffic and safety, water, sanitation, storm drainage, safety protection, transportation, mosquito control, operations and maintenance, covenant enforcement, fire protection, and park and recreation facilities (the Improvements).

The District was organized under a multiple district structure with Aviation Station North Metropolitan Districts No. 1 and Nos. 3 through 6 (collectively, the Aviation Districts), and in conjunction with Smith Metropolitan District Nos. 1 through 4 (collectively, the Smith Districts). Through the execution of a Memorandum of Understanding (MOU), Aviation Station North Metropolitan District No. 1 (Aviation 1) will finance, own, acquire, operate, and maintain any or all of the Improvements and services needed to serve the Project with financing provided by the District and/or Aviation Station North Metropolitan District Nos. 3 through 6. On July 27, 2015, Aviation 1 and Aviation Station North Metropolitan District No. 5 (Aviation 5) executed a Partial Termination of MOU, whereby Aviation 5 was released from further obligations and rights to services established under the MOU, with the exception of certain agreements related to Pena Station Improvements and related financing.

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

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

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

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

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 as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, and public improvement fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has 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 due.

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

Budgets

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

The District amended its annual budget for the year ending December 31, 2023.

Pooled Cash and Investments

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

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 Assessor to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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 the net investment in capital assets.

The District had no capital assets as of December 31, 2023.

Deferred Inflows of Resources

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

Amortization

Bond Premium

In the government-wide financial statements, the bond premium is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense, and the unamortized deferred cost is reflected as a liability.

Equity

Net Position

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

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	\$ 4,053,680
Total Cash and Investments	<u>\$ 4,053,680</u>

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2023, consist of the following:

Investments	<u>\$ 4,053,680</u>
Total Cash and Investments	<u><u>\$ 4,053,680</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.

At December 31, 2023, the District did not have any cash deposits.

Investments

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

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

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

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

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 8
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	4,053,672
Total		<u>\$ 4,053,680</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

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

A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

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

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

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

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAsf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

	Balance - December 31, 2022	Additions	Retirements	Balance - December 31, 2023	Due Within One Year
Governmental Activities:					
General Obligation Bonds					
Payable:					
Series 2019A	\$ 25,010,000	\$ -	\$ 5,000	\$ 25,005,000	\$ 350,000
Series 2019B	4,779,000	-	-	4,779,000	-
Bond Premium	640,017	-	34,938	605,079	-
Unpaid and Accrued Interest on Bonds Payable:					
Series 2019B	1,403,434	479,138	-	1,882,572	-
Total	<u>\$ 31,832,451</u>	<u>\$ 479,138</u>	<u>\$ 39,938</u>	<u>\$ 32,271,651</u>	<u>\$ 350,000</u>

\$25,015,000 Series 2019A Limited Tax General Obligation Refunding and Improvement Bonds and \$4,779,000 Series 2019B Subordinate Limited Tax General Obligation Bonds

On July 23, 2019, the District issued \$25,015,000 Limited Tax General Obligation Refunding and Improvement Bonds, Series 2019A (Series 2019A Bonds) and \$4,779,000 Subordinate Limited Tax General Obligation Bonds, Series 2019B (Series 2019B Bonds), together (the Bonds). Proceeds from the sale of the Bonds will be used for the purpose of funding a portion of the costs of acquiring, constructing and/or installing certain public improvements, and, with respect to the Series 2019A Bonds only, funding the Refunding Project (as defined in the Limited Offering Memorandum), paying the cost of issuance of the Bonds, funding a reserve fund and funding capitalized interest.

The Series 2019A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2022 and are subject to optional redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on September 1, 2024, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%. The Series 2019A Bonds are secured by the Senior Property Tax Revenue, the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mill Levy, all Senior PILOT revenue, all Pledged PIF Revenue and any other legally available moneys as determined by the District. The Series 2019A Bonds are further secured by the Senior Reserve Fund in the amount of \$1,963,000 and moneys accumulated in the Surplus Fund, if any.

The 2019B Bonds are subject to optional and mandatory redemption prior to maturity at the prices and upon the terms set forth in the Limited Offering Memorandum. The Series 2019B Bonds are secured by the Subordinate Property Tax Revenue, the portion of the Specific Ownership Tax which is collected as a result of the Subordinate Required Mill Levy all Subordinate PILOT revenue, all Subordinate Pledged PIF Revenue and any other legally available monies as determined by the District.

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$25,015,000 Series 2019A Limited Tax General Obligation Refunding and Improvement Bonds and \$4,779,000 Series 2019B Subordinate Limited Tax General Obligation Bonds (Continued)

The 2019B Bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Subordinate Pledged Revenue for payment. In the event any amounts due and owing on the 2019B Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

Interest on Series 2019A Bonds is payable semi-annually on June 1, and December 1, each year commencing December 1, 2019. Interest on Series 2019B Bonds is payable annually, to the extent Subordinate Pledged Revenue is available, on December 15, each year commencing on December 15, 2019. The 2019A Bonds and 2019B Bonds bear interest and mature as detailed:

	<u>Amount</u>	<u>Interest</u>	<u>Maturity Date</u>
Series 2019A	\$ 2,535,000	4.00%	December 1, 2029
Series 2019A	7,660,000	5.00%	December 1, 2039
Series 2019A	14,820,000	5.00%	December 1, 2048
Series 2019B	4,779,000	7.75%	December 15, 2048

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

<u>Year Ending December 31,</u>	<u>Series 2019A Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 350,000	\$ 1,225,000	\$ 1,575,000
2025	365,000	1,211,000	1,576,000
2026	410,000	1,196,400	1,606,400
2027	430,000	1,180,000	1,610,000
2028	475,000	1,162,800	1,637,800
2029-2033	2,920,000	5,468,800	8,388,800
2034-2038	4,215,000	4,621,500	8,836,500
2039-2043	5,860,000	3,411,500	9,271,500
2044-2048	9,980,000	1,741,750	11,721,750
Total	<u>\$ 25,005,000</u>	<u>\$ 21,218,750</u>	<u>\$ 46,223,750</u>

A schedule for the Series 2019B Bonds is not presented as the repayment of those bonds is subject to cash availability.

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

As of December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 5, 2013 Election	Authorization Used Hensel Loan	Authorization Used 2015 PIRA	Authorization Used 2015 APIRA	Authorization Used Series 2019A	Authorization Used Series 2019B	Remaining at December 31, 2023
Street Improvements	\$ 500,000,000	\$ 2,500,000	\$ 1,575,000	\$ -	\$ 2,369,488	\$ 531,000	\$ 493,024,512
Parks and Recreation	500,000,000	-	820,000	-	2,369,488	531,000	496,279,512
Water	500,000,000	-	290,000	-	2,369,488	531,000	496,809,512
Sanitation/Storm Sewer	500,000,000	-	2,315,000	3,000,000	2,369,488	531,000	491,784,512
Transportation	500,000,000	-	12,000,000	-	2,369,488	531,000	485,099,512
Mosquito Control	500,000,000	-	-	-	2,369,488	531,000	497,099,512
Traffic and Safety Protection	500,000,000	-	-	-	2,369,488	531,000	497,099,512
Fire Protection	500,000,000	-	-	-	2,369,488	531,000	497,099,512
TV Relay and Translation	500,000,000	-	-	-	2,369,488	531,000	497,099,512
Operations and Maintenance	500,000,000	-	-	-	-	-	500,000,000
Refunding of Debt	500,000,000	-	-	-	3,689,608	-	496,310,392
Governmental IGA's	500,000,000	-	-	-	-	-	500,000,000
Regional Improvements	500,000,000	-	-	-	-	-	500,000,000
Total	\$ 6,500,000,000	\$ 2,500,000	\$ 17,000,000	\$ 3,000,000	\$ 25,015,000	\$ 4,779,000	\$ 6,447,706,000

At an election held on November 5, 2013, the voters of the Aviation Districts and the Smith Districts authorized the issuance of general obligation debt in the total aggregate amount of \$500,000,000 (Aggregate Debt Cap). Pursuant to Intergovernmental Agreements Regarding Debt Allocation, executed in June and August 2015, the Aviation Districts, exclusive of Aviation 5 are allocated \$359,969,737 of the total \$500,000,000 Aggregate Debt Cap. Aviation 5 is allocated \$30,819,736 in total debt authorization and the Smith Districts were allocated the sum of \$109,210,527. As of December 31, 2023, the District had \$311,365,345 remaining authority under the Service Plan and the aforementioned Intergovernmental Agreements Regarding Debt Allocation.

NOTE 5 NET POSITION

The District has net position consisting of one component – unrestricted.

The District has a deficit in unrestricted net position. The deficit at December 31, 2023 was primarily due to interest paid and related costs on long-term debts and transfers to Aviation 1.

NOTE 6 AGREEMENTS

Capital Pledge Agreements

On June 12, 2015, the District and Aviation 1 entered into a Capital Pledge Agreement (the Mill Levy 10 Pledge Agreement) whereby the District agreed to pledge certain revenues generated from the District's imposition of the Aviation Station Mill Levy Ten to Aviation 1 for the purpose of repayment of the Reimbursement Obligation (defined below).

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 AGREEMENTS (CONTINUED)

Capital Pledge Agreements (Continued)

On June 12, 2015, the District and Aviation 1 entered into a certain Capital Pledge Agreement (Mill Levy 3 Pledge Agreement) whereby the District agreed to pledge certain revenues generated from the District's imposition of the Aviation Station Mill Levy Three to Aviation 1 for the purpose of repayment of the Additional Reimbursement Obligation (defined below).

Project Improvements Reimbursement Agreement

On June 12, 2015, Aviation 1, Smith Metropolitan District No. 1 (Smith 1) and Denver, on behalf of the Department of Aviation (DIA), entered into a Project Improvements Reimbursement Agreement (PIRA) whereby Aviation 1 and Smith 1 set forth the terms of the payment of the Reimbursement Obligation (as defined in the PIRA). Denver agreed to fund a portion of the costs allocated to Aviation 1 and Smith 1 for certain project improvements in the amount of \$17,000,000. Both Aviation 1 and Smith 1 agreed to impose a mill levy of ten mills on all taxable property within their respective boundaries (the Aviation Station Mill Levy Ten and the Smith Mill Levy Ten, respectively) for the purpose of paying principal and interest on the Reimbursement Obligation on a joint and several basis. Further, the PIRA contemplates that at such time any real property is included within any of the Aviation Districts or the Smith Districts such applicable Aviation District or Smith District will be required to execute a pledge agreement whereby such district will agree to impose the Aviation Mill Levy Ten or the Smith Mill Levy Ten, as applicable, and remit the revenues therefrom to UMB Bank, n.a., pursuant to the Custodial Agreement (described below). The PIRA is terminated on the date on which the aggregate amount of all payments of principal and interest paid by the Districts equals \$35,600,000 or the date on which the principal amount and all accrued and unpaid interest is paid in full, whichever date occurs first. As of December 31, 2023, the amount outstanding on Aviation 1 totaled \$25,093,734, comprised of principal \$17,000,000 and accrued interest of \$8,093,734.

Additional Project Improvements Reimbursement Agreement

On June 12, 2015, Aviation 1 and Denver, on behalf of DIA, entered into the Additional Project Improvements Reimbursement Agreement (the APIRA), whereby Denver agreed to fund a portion of Aviation 1's share of costs associated with additional public improvements in the amount of \$3,000,000 (the Additional Reimbursement Obligation) and Aviation 1 agreed to repay that amount. Aviation 1 agreed to impose a mill levy in the amount of 3 mills upon all taxable property within each of the Aviation Districts (the Aviation Station Mill Levy Three). Further, the APIRA contemplates that at such time any real property is included within any of the Aviation Districts such applicable Aviation District will be required to execute a pledge agreement whereby such district will agree to impose the Aviation Station Mill Levy Three and remit the revenues to Aviation 1 for the purpose of repaying the Additional Reimbursement Obligation. The APIRA is terminated on the date on which the aggregate amount of all payments of principal and interest paid by Aviation 1 equals \$6,000,000 or the date on which the principal amount and all accrued and unpaid interest is paid in full, whichever date occurs first. As of December 31, 2023, the amount outstanding on Aviation 1 totaled \$4,428,306, comprised of principal \$3,000,000 and accrued interest of \$1,428,306.

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 AGREEMENTS (CONTINUED)

Custodial Agreement

On June 12, 2015, Aviation 1, Smith 1, the District, Denver and UMB Bank, n.a., entered into that certain Custodial Agreement relating to the Reimbursement Obligation (defined above) in the principal amount of \$17,000,000, as agreed to in the PIRA. The Custodial Agreement establishes the obligations of UMB Bank, n.a., as custodian of the Reimbursement Obligation Fund (as defined in the Custodial Agreement).

Facilities Funding, Construction and Operations Agreement

On July 8, 2019, the District, Aviation 1, Aviation Station North Metropolitan District No. 3 (Aviation 3), Aviation Station North Metropolitan District No. 4 and Aviation Station North Metropolitan District No. 6 entered into a Facilities Funding, Construction and Operations Agreement, effective January 1, 2019 (FFCOA). Pursuant to the FFCOA, Aviation 1 accepts responsibility for constructing, designing, financing and operating the Public Improvements (as defined in the FFCOA) that benefit the Aviation Districts and establishes the Aviation Districts' obligation to pay for the services and benefit of the Public Improvements received from Aviation 1 by the issuance of bonds and remittance of proceeds thereof to Aviation 1 or a pledge of revenues to Aviation 1 or the Issuing District.

Declaration of Covenants Imposing and Implementing the Aviation Station North Public Improvement Fee (the PIF Covenant)

On June 12, 2015, Rail Stop LLC (Developer) executed the PIF Covenant and caused the same to be recorded in the real property records of Denver County against real property located within the boundaries of the Aviation Station North Metropolitan Districts Nos. 1 through 4 and 6 (the PIF Covenant Area). The PIF Covenant was further amended in July, 2019 and supplemented in August, 2022. The PIF Covenant obligates retailers located within the PIF Covenant Area to collect a public improvement fee in the amount of 1% of all PIF Sales that occur within the PIF Covenant Area. A PIF Sale is a transaction which is either subject to lodging taxation pursuant to Denver's lodging tax ordinance or subject to a sales tax pursuant to Denver's sales tax ordinance (collectively, the PIF Revenues). Under the PIF Covenant, the PIF Revenues are intended to pay for eligible public improvements and may be pledged to repay bonded indebtedness of the District.

Senior Capital Pledge Agreement

On July 1, 2019, the District, and UMB Bank, n.a. entered into a Senior Capital Pledge Agreement (the Senior Pledge Agreement) whereby Aviation 3 agreed to pledge certain revenues generated from Aviation 3's imposition of the Senior Required Mill Levy (as defined in the Senior Pledge Agreement) to the District for the purpose of repayment of the Senior Payment Obligation (as defined in the Senior Pledge Agreement).

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 AGREEMENTS (CONTINUED)

Subordinate Capital Pledge Agreement

On July 1, 2019, the District, Aviation 3 and UMB Bank, n.a. entered into a Subordinate Capital Pledge Agreement (the Subordinate Pledge Agreement) whereby Aviation 3 agreed to pledge certain revenues generated from Aviation 3's imposition of the Subordinate Required Mill Levy (as defined in the Subordinate Pledge Agreement to the District for the purpose of repayment of the Subordinate Payment Obligation (as defined in the Subordinate Pledge Agreement)).

Declaration of Payment in Lieu of Taxes (PILOT)

In July, 2019, the Developer executed and caused to be recorded in the real property records of the County of Denver, the PILOT. The PILOT named the District and Aviation 3 as beneficiaries thereof. The PILOT was recorded against the real property contained within the boundaries of the District and Aviation 3. The PILOT obligates any owner of real property that is exempt from taxation to pay the District or Aviation 3, as applicable, an annual amount of revenue that would be derived from the imposition of a debt service mill levy and operating mill levy of the District or Aviation 3, as applicable. The determination of the revenue will be based off the most recent certified assessed value of any tax-exempt property or property within the District or Aviation 3 owned by a Tax-Exempt Entity (as defined in the PILOT). The PILOT revenue may be pledged to the repayment of bonded indebtedness of the District or Aviation 3.

NOTE 7 RELATED PARTIES

The Developer of the property, along with L.C. Fulenwider, Inc. (Fulenwider), are involved with the development of the Project. All members of the Board of Directors are employees, owners or otherwise associated with the Developer and/or Fulenwider 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 8 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (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.

AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property, workers compensation, and public officials' liability 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 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

On November 5, 2013, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

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

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

SUPPLEMENTARY INFORMATION

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 470,563	\$ 465,844	\$ (4,719)
Specific Ownership Taxes	23,528	26,264	2,736
Net Investment Income	50,000	173,653	123,653
Property Taxes DIA	165,333	163,675	(1,658)
Specific Ownership Taxes DIA	8,267	9,228	961
Public Improvement Fees	112,000	104,165	(7,835)
Transfers from Aviation Station North Metro District No. 3	346,682	322,366	(24,316)
Total Revenues	<u>1,176,373</u>	<u>1,265,195</u>	<u>88,822</u>
EXPENDITURES			
County Treasurer's Fees	6,359	6,295	64
Bond Interest - Series 2019	1,225,200	1,225,200	-
Bond Principal - Series 2019	5,000	5,000	-
Transfers to Aviation Station North Metro District No. 1	171,943	171,268	675
Paying Agent Fees	7,000	7,000	-
Contingency	4,498	-	4,498
Total Expenditures	<u>1,420,000</u>	<u>1,414,763</u>	<u>5,237</u>
NET CHANGE IN FUND BALANCE	(243,627)	(149,568)	94,059
Fund Balance - Beginning of Year	<u>3,523,301</u>	<u>3,538,053</u>	<u>14,752</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,279,674</u></u>	<u><u>\$ 3,388,485</u></u>	<u><u>\$ 108,811</u></u>

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ 25,000	\$ 62,000	\$ 51,040	\$ (10,960)
Total Revenues	<u>25,000</u>	<u>62,000</u>	<u>51,040</u>	<u>(10,960)</u>
EXPENDITURES				
Transfers to Aviation Station North Metro District No. 1	500,000	600,000	582,305	17,695
Total Expenditures	<u>500,000</u>	<u>600,000</u>	<u>582,305</u>	<u>17,695</u>
NET CHANGE IN FUND BALANCE	(475,000)	(538,000)	(531,265)	6,735
Fund Balance - Beginning of Year	<u>1,075,435</u>	<u>1,224,126</u>	<u>1,224,126</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 600,435</u>	<u>\$ 686,126</u>	<u>\$ 692,861</u>	<u>\$ 6,735</u>

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

\$25,015,000
Limited Tax General Obligation
Refunding and Improvement Bonds
Series 2019A
Issue date July 23, 2019
Interest Rate of 4.00-5.00%
Due June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 350,000	\$ 1,225,000	\$ 1,575,000
2025	365,000	1,211,000	1,576,000
2026	410,000	1,196,400	1,606,400
2027	430,000	1,180,000	1,610,000
2028	475,000	1,162,800	1,637,800
2029	495,000	1,143,800	1,638,800
2030	545,000	1,124,000	1,669,000
2031	575,000	1,096,750	1,671,750
2032	635,000	1,068,000	1,703,000
2033	670,000	1,036,250	1,706,250
2034	735,000	1,002,750	1,737,750
2035	775,000	966,000	1,741,000
2036	845,000	927,250	1,772,250
2037	890,000	885,000	1,775,000
2038	970,000	840,500	1,810,500
2039	1,020,000	792,000	1,812,000
2040	1,105,000	741,000	1,846,000
2041	1,160,000	685,750	1,845,750
2042	1,255,000	627,750	1,882,750
2043	1,320,000	565,000	1,885,000
2044	1,420,000	499,000	1,919,000
2045	1,495,000	428,000	1,923,000
2046	1,605,000	353,250	1,958,250
2047	1,690,000	273,000	1,963,000
2048	3,770,000	188,500	3,958,500
Total	<u>\$ 25,005,000</u>	<u>\$ 21,218,750</u>	<u>\$ 46,223,750</u>

Note: A schedule for the Series 2019B Bonds is not presented as the repayment of those bonds is subject to cash availability.

**AVIATION STATION NORTH METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied			Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Contractual	Levied	Collected	
2019	\$ 2,627,850	40.000	0.000	13.000	\$ 139,276	\$ 139,713	100.00 %
2020	7,002,390	10.000	37.000	13.000	420,143	420,187	100.01
2021	11,143,310	10.000	37.000	13.000	668,598	668,598	100.00
2022	12,803,260	10.000	37.000	13.000	768,196	768,196	100.00
2023	12,717,930	10.000	37.000	13.000	763,075	755,423	99.00
Estimated for the Year Ending December 31, 2024	\$ 13,661,920	10.000	38.505	13.000	\$ 840,276		

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