

ABILENE STATION METROPOLITAN DISTRICT NOS. 1 AND 2

2022 ANNUAL REPORT

As required by Section 32-1-207(3)(c), C.R.S. and Section VIII of the Service Plans for Abilene Station Metropolitan District Nos. 1 and 2 (“**District No. 1**” and “**District No. 2**,” and collectively the “**Districts**”), approved by the City of Aurora, Colorado (the “**City**”) on July 24, 2006, the following report of activities from January 1, 2022 to December 31, 2022 is hereby submitted.

1. BOUNDARY CHANGES MADE OR PROPOSED AS OF DECEMBER 31 OF THE REPORT YEAR:

District No. 1 adopted a Resolution for Inclusion of Real Property for approximately 8.2989 acres of land into District No. 1, and the related Order for Inclusion was granted on November 2, 2022 (“**8.3 Acre Inclusion Order**”). The 8.3 Acre Inclusion Order has not been recorded to date. District No. 1 also adopted a Resolution for Inclusion of Real Property for approximately 1.2190 acres of land into District No. 1, and the related Order for Inclusion was granted on November 2, 2022, and recorded in the Real Property Records of the Arapahoe County Clerk and Recorder on January 27, 2023 at Reception No. E3005473. A copy of the updated boundary map for District No. 1 is attached hereto as **Exhibit A**.

District No. 2 did not make or propose any boundary changes during the report year.

2. INTERGOVERNMENTAL AGREEMENTS ENTERED INTO, PROPOSED OR TERMINATED AS OF DECEMBER 31 OF THE REPORT YEAR:

Termination, Assignment and Assumption Agreement as to Facilities Funding, Construction and Operations Agreement. The Districts entered into a Termination, Assignment and Assumption Agreement as to Facilities Funding, Construction and Operations Agreement, effective January 1, 2023 to terminate the relationship under the Facilities Funding, Construction and Operations Agreement by and between the Districts and to provide the conditions for such termination.

Memorandum of Understanding. On January 1, 2023, the Districts entered into a Memorandum of Understanding (the “**MOU**”) whereby District No. 1 agreed to provide for the construction, design, operation and maintenance of certain public improvements for the Districts, including any obligations of the Districts under the Intergovernmental Agreement for Street Maintenance and Cost Sharing by and among the Districts and the City of Aurora and the Cortland MOU (as discussed below). District No. 1 further agreed to provide for the overall administration of the Districts. To the extent the Districts enter into a future Facilities Funding, Construction and Operations Agreement, that agreement will, among other things, provide for District No. 2 to reimburse District No. 1 for certain costs incurred pursuant to the MOU.

Termination of Operation Funding Agreements. The Districts and Abilene Station LLC (f/k/a Abilene Corporate Center LLC) (“**Developer**”) entered into a Termination of

Operation Funding Agreements, effective January 1, 2023 (the “**Termination of OFAs**”), which terminated all previously entered into Operation Funding Agreements by and between the Developer, District No. 1, and/or District No. 2 and the Letter Agreements by and between the Developer, District No. 1, and District No. 2, respectively, regarding suspension of obligations during the Districts period of inactivity. Pursuant to the Termination of OFAs, District No. 1 is obligated to reimburse the Developer for the Outstanding Advances (as defined therein) pursuant to a new Operation Funding Agreement between District No. 1 and the Developer entered into simultaneously with the Termination of OFAs.

Termination of Capital Funding Agreements. The Districts and the Developer entered into a Termination of Capital Funding Agreements, effective January 1, 2023, to terminate the Project Funding and Reimbursement Agreement by and between District No. 2 and the Developer and the Facilities Acquisition Agreement by and among the Districts and the Developer. Pursuant to the Termination of Capital Funding Agreements, District No. 1 is obligated to reimburse the Developer for Outstanding Advances (as defined therein) pursuant to a new Facilities Acquisition Agreement between District No. 1 and the Developer.

Memorandum of Understanding (Cortland). On January 27, 2022, the Districts, the Developer, and CP Acquisition Holdings, LLC (Cortland) entered into a Memorandum of Understanding (the “**Cortland MOU**”). The Cortland MOU, among other things, contemplates that the Developer will dedicate to District No. 1 two tracts planned for a pedestrian plaza and a park. After the dedication, Cortland is to be responsible for constructing the pedestrian plaza and park. Pursuant to the Cortland MOU, District No. 1 and Cortland will use commercially reasonable efforts to negotiate and enter into a reimbursement agreement establishing the process for District No. 1 to reimburse costs incurred by Cortland relative to the pedestrian plaza and park.

3. ACCESS INFORMATION TO OBTAIN COPIES OF THE DISTRICTS’ RULES AND REGULATIONS:

The Districts do not currently have any rules and regulations and there were none proposed during 2022. In the event the Districts adopt rules and regulations in the future, such documents may be accessed at the offices of CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111, or on the Districts’ website: www.abilenestationmetrodistrict.com.

4. SUMMARY OF ANY LITIGATION INVOLVING THE DISTRICTS’ PUBLIC IMPROVEMENTS AS OF DECEMBER 31 OF THE REPORT YEAR:

To our knowledge, there is no litigation involving the Districts’ public improvements.

5. STATUS OF THE DISTRICTS’ CONSTRUCTION OF PUBLIC IMPROVEMENTS AS OF DECEMBER 31 OF THE REPORT YEAR:

The construction of the public improvements during 2022 in the Districts have been completed.

6. LIST OF ALL FACILITIES AND IMPROVEMENTS CONSTRUCTED BY THE DISTRICTS THAT HAVE BEEN DEDICATED TO AND ACCEPTED BY THE CITY AS OF DECEMBER 31 OF THE REPORT YEAR:

No facilities or improvements were dedicated to and/or accepted by the City during the report year.

7. FINAL ASSESSED VALUATION OF THE DISTRICTS FOR THE REPORT YEAR:

Final 2022 Certifications of Assessed Valuation for each of the Districts are attached hereto as **Exhibit B**.

8. CURRENT YEAR BUDGETS, INCLUDING DESCRIPTION OF THE PUBLIC IMPROVEMENTS TO BE CONSTRUCTED IN SUCH YEAR:

2023 Adopted Budgets for each of the Districts are attached hereto as **Exhibit C**. No public improvements are anticipated to be constructed during 2023.

9. AUDITED FINANCIAL STATEMENTS FOR THE REPORTING YEAR / APPLICATION FOR EXEMPTION FROM AUDIT:

The Application for Exemption from 2022 Audit for District No. 1 and the 2021 Audit for District No. 2 are attached hereto as **Exhibit D**. *Note: The 2022 Audit for District No. 2 will be provided upon completion.*

10. NOTICE OF ANY UNCURED EVENTS OF DEFAULT BY THE DISTRICT(S), WHICH CONTINUE BEYOND A NINETY (90) DAY PERIOD, UNDER ANY DEBT INSTRUMENT:

None.

11. ANY INABILITY OF THE DISTRICT(S) TO PAY ITS OBLIGATIONS AS THEY COME DUE, IN ACCORDANCE WITH THE TERMS OF SUCH OBLIGATIONS, WHICH CONTINUE BEYOND A NINETY (90) DAY PERIOD:

None.

EXHIBIT A

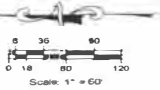
District No. 1 - Current Boundary Map

ABILENE STATION METROPOLITAN DISTRICT NO. 1

A

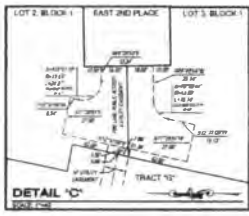
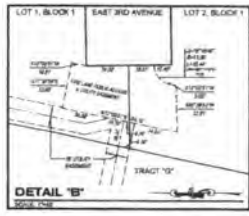
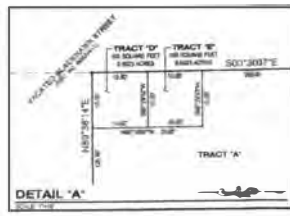
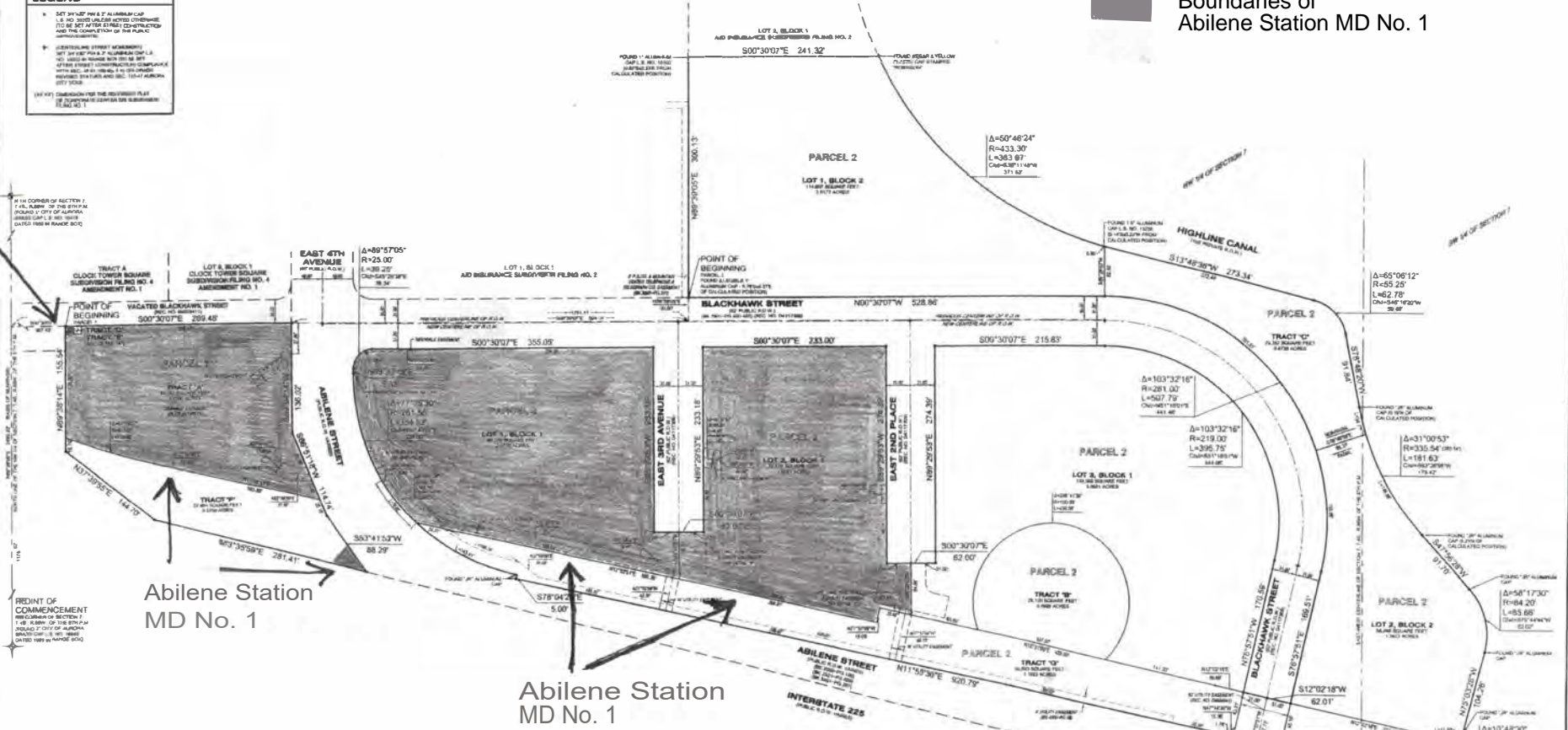
Key

Boundaries of Abilene Station MD No. 1



- LEGEND**
- 1. SET BY 1947 P.M.A. & 2' ALUMINUM CAP U.S. GO. 1947 ABILENE NOTES OTHERWISE TO BE SET AT THE STRIPS CONSTRUCTED AND THE CORNER OF THE PUBLIC SUBDIVISION.
 - 2. IDENTIFYING STREET CORNER SET BY 1947 P.M.A. & 2' ALUMINUM CAP U.S. GO. 1947 ABILENE NOTES OTHERWISE TO BE SET AT THE STRIPS CONSTRUCTED AND THE CORNER OF THE PUBLIC SUBDIVISION. SET BY 1947 P.M.A. & 2' ALUMINUM CAP U.S. GO. 1947 ABILENE NOTES OTHERWISE TO BE SET AT THE STRIPS CONSTRUCTED AND THE CORNER OF THE PUBLIC SUBDIVISION.

Abilene Station MD No. 1



ENGINEERING SERVICE COMPANY
 100 East Houston Street, Suite 1200, Houston, Texas 77002
 (713) 261-1111
 467-14 242

EXHIBIT B

District No. 1 - 2022 Certification of Assessed Valuation

District No. 2 - 2022 Certification of Assessed Valuation



PK Kaiser, MBA, MS

Assessor

November 23, 2022

OFFICE OF THE ASSESSOR
5334 S. Prince Street
Littleton, CO 80120-1136
Phone: 303-795-4600
TDD: Relay-711
Fax:303-797-1295
<http://www.arapahoegov.com/assessor>
assessor@arapahoegov.com

AUTH 4007 ABILENE STATION METRO DIST
#1
CLIFTON LARSON ALLEN LLP
C/O MATT URKOSKI
8390 E CRESCENT PKY SUITE 300
GREENWOOD VILLAGE CO 80111

Code # 4007

RECERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2022 of:

\$3,444,764

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS
Arapahoe County Assessor

enc

RECERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: November 23, 2022

NAME OF TAX ENTITY: ABILENE STN METRO DIST #1

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	3,091,567
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	3,444,764
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	3,444,764
5. NEW CONSTRUCTION: *	5.	\$	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	10,658,747
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0
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IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	0
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.



PK Kaiser, MBA, MS

Assessor

November 23, 2022

OFFICE OF THE ASSESSOR
5334 S. Prince Street
Littleton, CO 80120-1136
Phone: 303-795-4600
TDD: Relay-711
Fax:303-797-1295
<http://www.arapahoegov.com/assessor>
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AUTH 4008 ABILENE STATION METRO DIST
#2
CLIFTON LARSON ALLEN LLP
C/O MATT URKOSKI
8390 E CRESCENT PKY SUITE 300
GREENWOOD VILLAGE CO 80111

Code # 4008

RECERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2022 of:

\$145

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS
Arapahoe County Assessor

enc

RECERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: November 23, 2022

NAME OF TAX ENTITY: ABILENE STN METRO DIST #2

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	145
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	145
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	145
5. NEW CONSTRUCTION: *	5.	\$	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

- ‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution
- * New construction is defined as: Taxable real property structures and the personal property connected with the structure.
- ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
- Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	500
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

- ¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
- * Construction is defined as newly constructed taxable real property structures.
- § Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:			
1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:			
HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	0
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.			

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT C

District No. 1 - 2023 Adopted Budget

District No. 2 - 2023 Adopted Budget

ABILENE STATION METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**ABILENE STATION METROPOLITAN DISTRICT NO. 1
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 32,444
REVENUES			
Property taxes	121,199	123,663	137,791
Specific ownership tax	8,353	8,656	8,267
Interest income	-	-	1,500
Intergovernmental revenue - District No. 2	-	32,444	-
Investment Income	529	-	1,500
Bond issuance	-	-	6,220,000
Total revenues	<u>130,081</u>	<u>164,763</u>	<u>6,369,058</u>
			-
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>931,487</u>
Total funds available	<u>130,081</u>	<u>164,763</u>	<u>7,332,989</u>
EXPENDITURES			
General Fund	130,081	132,319	115,000
Debt Service Fund	-	-	436,000
Capital Projects Fund	-	-	5,288,513
Total expenditures	<u>130,081</u>	<u>132,319</u>	<u>5,839,513</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>931,487</u>
Total expenditures and transfers out requiring appropriation	<u>130,081</u>	<u>132,319</u>	<u>6,771,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 32,444</u>	<u>\$ 561,989</u>
Debt Service Reserve Fund	<u>\$ -</u>	<u>\$ 550,625</u>	<u>\$ 550,625</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 550,625</u>	<u>\$ 550,625</u>

No assurance provided. See summary of significant assumptions.

**ABILENE STATION METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Commercial	\$ 2,697,870	\$ 2,710,920	\$ 2,710,920
State assessed	10	10	50
Personal	1,276	570	353,727
Vacant land	330,817	380,067	380,067
Certified Assessed Value	\$ 3,029,973	\$ 3,091,567	\$ 3,444,764
 MILL LEVY			
General	40.000	40.000	40.000
Total mill levy	40.000	40.000	40.000
 PROPERTY TAXES			
General	\$ 121,199	\$ 123,663	\$ 137,791
Budgeted property taxes	\$ 121,199	\$ 123,663	\$ 137,791
 BUDGETED PROPERTY TAXES			
General	\$ 121,199	\$ 123,663	\$ 137,791
	\$ 121,199	\$ 123,663	\$ 137,791

**ABILENE STATION METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 32,444
REVENUES			
Property taxes	121,199	123,663	137,791
Specific ownership tax	8,353	8,656	8,267
Intergovernmental revenue - District No. 2	-	32,444	-
Investment Income	529	-	1,500
Total revenues	130,081	164,763	147,558
Total funds available	130,081	164,763	180,002
EXPENDITURES			
General and administrative			
Accounting	-	-	18,000
Audit	-	-	4,500
County Treasurer's fee	1,826	1,855	2,067
Dues and membership	-	-	1,200
Insurance and bonds	-	-	6,250
District management	-	-	12,500
Legal services	-	-	20,000
Landscaping	-	-	10,000
Water	-	-	15,000
Election expense	-	-	1,000
Contingency	-	-	4,483
Transfers to Abilene Station MD No.2-General Fund	128,255	130,464	20,000
Total expenditures	130,081	132,319	115,000
Total expenditures and transfers out requiring appropriation	130,081	132,319	115,000
ENDING FUND BALANCE	\$ -	\$ 32,444	\$ 65,002

No assurance provided. See summary of significant assumptions.

**ABILENE STATION METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Interest income	-	-	1,500
Total revenues	<u>-</u>	<u>-</u>	<u>1,500</u>
TRANSFERS IN			
Transfers from other funds - Capital Project	<u>-</u>	<u>-</u>	<u>931,487</u>
Total funds available	<u>-</u>	<u>-</u>	<u>932,987</u>
EXPENDITURES			
General and administrative			
Contingency	-	-	1,000
Debt Service			
Bond Interest	-	-	432,000
Paying agent fees	-	-	3,000
Total expenditures	<u>-</u>	<u>-</u>	<u>436,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>436,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 496,987</u>
Debt Service Reserve Fund	<u>\$ -</u>	<u>\$ 550,625</u>	<u>\$ 550,625</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 550,625</u>	<u>\$ 550,625</u>

No assurance provided. See summary of significant assumptions.

**ABILENE STATION METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Bond issuance	-	-	6,220,000
Total revenues	<u>-</u>	<u>-</u>	<u>6,220,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>6,220,000</u>
EXPENDITURES			-
Debt Service			
Bond issue costs	-	-	374,400
Capital Projects			
Repay developer advance - Principal	-	-	2,917,426
Repay developer advance - Interest	-	-	1,996,687
Total expenditures	<u>-</u>	<u>-</u>	<u>5,288,513</u>
TRANSFERS OUT			
Transfers to Debt Service Fund	<u>-</u>	<u>-</u>	<u>931,487</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>6,220,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**ABILENE STATION METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized on March 16, 2007, to provide financing for the design, acquisition, construction, installation, relocation, and financing of essential public-purpose facilities such as water, sanitation, streets, safety protection, transportation, mosquito control, limited television and relay, park and recreation and limited fire protection. The District's service plan does not authorize the District to provide operational activities, except for park and recreation improvements, unless the District enters into an intergovernmental agreement with the City of Aurora. The District's service area is located entirely in the City of Aurora (City), in Arapahoe County, Colorado.

Under the Service Plan, the District will provide essential public improvements located entirely within the City. The District may, with agreement by the City, engage in other activities. The property in the District is anticipated to be developed consistent with the terms, requirements and provisions of a Development Agreement.

The District is authorized to finance Public Improvements that can be funded from Debt to be repaid from fees or from tax revenues collected from mill levies which shall not exceed the Maximum Debt Mill Levy on residential and/or commercial properties. The District may impose fees as a source of revenue for repayment of debt, capital cost, and/or for operations and maintenance.

In the first year of collection of a debt service mill levy, the District is required to impose a mill levy for payment of the planning, designing, permitting, construction, acquisition and financing of the regional improvements described in the Aurora Regional Improvements (ARI) Master Plan. The ARI Master Plan is one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of the districts which constitute such ARI Authority, which master plan will change from time to time.

On November 7, 2006, the electorate authorized general obligation debt in the amount of \$72,000,000 in each category to provide financing for the design, acquisition, construction and installation of the essential public-purpose facilities above. The District's Service Plan authorizes the total Debt issuance to \$72,000,000, with a maximum debt mill levy of 50.000 mills (subject to adjustment), and also authorizes the District to impose an operations mill levy.

The current construction of District improvements is expected to be financed by developer advances until bonded debt is issued to repay the developer.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**ABILENE STATION METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Tax

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

Bond Issuance

The District anticipates issuing general obligation bonds in 2022. Bond proceeds will be used to pay infrastructure costs, bond issue costs and capitalized interest. Significant terms of the bond issuance will be determined at the time of issuance.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 2.0%.

Expenditures

General and administration

General and administration expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

**ABILENE STATION METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures - Continued

Transfer to Abilene Station Metropolitan District No. 2

The transfers to Abilene Station Metropolitan District No. 2 (ASMD No. 2) is to provide funding for the overall administrative and operating costs of the District per the memorandum of understanding between the District and ASMD No. 2.

Debt and Leases

The District has no operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending.

Debt Service Reserve

It is anticipated that the new bond issuance will require the District to maintain a debt service reserve of \$550,625. The anticipated Debt Service Reserve is included in the District's Debt Service Fund balance.

This information is an integral part of the accompanying budget.

ABILENE STATION METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**ABILENE STATION METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 31,896	\$ 19,711	\$ -
REVENUES			
Property taxes	6	6	6
Interest income	29	800	-
Transfer from Abilene Station Metro No.1	128,255	130,464	20,000
Developer advance	2,513,527	-	-
Total revenues	<u>2,641,817</u>	<u>131,270</u>	<u>20,006</u>
Total funds available	<u>2,673,713</u>	<u>150,981</u>	<u>20,006</u>
EXPENDITURES			
General Fund	140,475	150,981	19,306
Capital Projects Fund	2,513,527	-	-
Total expenditures	<u>2,654,002</u>	<u>150,981</u>	<u>19,306</u>
Total expenditures and transfers out requiring appropriation	<u>2,654,002</u>	<u>150,981</u>	<u>19,306</u>
ENDING FUND BALANCES	<u>\$ 19,711</u>	<u>\$ -</u>	<u>\$ 700</u>
EMERGENCY RESERVE	\$ 3,900	\$ -	\$ 700
AVAILABLE FOR OPERATIONS	15,811	-	-
TOTAL RESERVE	<u>\$ 19,711</u>	<u>\$ -</u>	<u>\$ 700</u>

No assurance provided. See summary of significant assumptions.

ABILENE STATION METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/16/23

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
----------------	-------------------	----------------

ASSESSED VALUATION

Vacant land	\$ 145	\$ 145	\$ 145
	145	145	145
Certified Assessed Value	\$ 145	\$ 145	\$ 145

MILL LEVY

General	40.000	40.000	40.000
Total mill levy	40.000	40.000	40.000

PROPERTY TAXES

General	\$ 6	\$ 6	\$ 6
Levied property taxes	6	6	6
Budgeted property taxes	\$ 6	\$ 6	\$ 6

BUDGETED PROPERTY TAXES

General	\$ 6	\$ 6	\$ 6
	\$ 6	\$ 6	\$ 6

No assurance provided. See summary of significant assumptions.

**ABILENE STATION METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 31,896	\$ 19,711	\$ -
REVENUES			
Property taxes	6	6	6
Interest income	29	800	-
Other revenue	-	-	-
Transfer from Abilene Station Metro No.1	128,255	130,464	20,000
Total revenues	<u>128,290</u>	<u>131,270</u>	<u>20,006</u>
Total funds available	<u>160,186</u>	<u>150,981</u>	<u>20,006</u>
EXPENDITURES			
General and administrative			
Accounting	13,367	24,000	3,000
Auditing	-	4,350	4,500
Dues and licenses	3,300	705	-
Insurance and bonds	5,192	5,961	-
District management	6,569	12,000	3,000
Legal services	9,577	45,000	5,000
Miscellaneous	49	-	-
Engineering	2,421	-	-
Landscaping	-	15,000	-
Water	-	7,500	-
Election expense	-	521	1,000
Contingency	-	-	2,806
Intergovernmental expenditures - District No.	-	32,444	-
Operations and maintenance			
Repairs and maintenance	-	1,000	-
Snow removal	-	2,500	-
Repay developer advance	100,000	-	-
Total expenditures	<u>140,475</u>	<u>150,981</u>	<u>19,306</u>
Total expenditures and transfers out requiring appropriation	<u>140,475</u>	<u>150,981</u>	<u>19,306</u>
ENDING FUND BALANCE	<u>\$ 19,711</u>	<u>\$ -</u>	<u>\$ 700</u>
EMERGENCY RESERVE	\$ 3,900	\$ -	\$ 700
AVAILABLE FOR OPERATIONS	15,811	-	-
TOTAL RESERVE	<u>\$ 19,711</u>	<u>\$ -</u>	<u>\$ 700</u>

No assurance provided. See summary of significant assumptions.

**ABILENE STATION METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	2,513,527	-	-
Transfer from Abilene Station Metro No.1	-	-	-
Total revenues	<u>2,513,527</u>	-	-
Total funds available	<u>2,513,527</u>	-	-
EXPENDITURES			
General and Administrative			
Contingency	-	-	-
Capital Projects			
Repay developer advance	-	-	-
Bond issue costs - Series 2019	-	-	-
Streets	-	-	-
Sewer	-	-	-
Park and recreation	-	-	-
Total expenditures	<u>2,513,527</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>2,513,527</u>	-	-
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**ABILENE STATION METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized on March 16, 2007, to provide financing for the design, acquisition, construction, installation, relocation, and financing of essential public-purpose facilities such as water, sanitation, streets, safety protection, transportation, mosquito control, limited television and relay, park and recreation and limited fire protection. The District's service plan does not authorize the District to provide operational activities, except for park and recreation improvements, unless the District enters into an intergovernmental agreement with the City of Aurora (City). The District's service area is located entirely in the City, in Arapahoe County, Colorado.

Under the Service Plan, the District will provide essential public improvements located entirely within the City of Aurora. The District may, with agreement by the City, engage in other activities. The property in the District is anticipated to be developed consistent with the terms, requirements and provisions of a Development Agreement.

In the first year of collection of a debt service mill levy, the District is required to impose a mill levy for payment of the planning, designing, permitting, construction, acquisition and financing of the regional improvements described in the Aurora Regional Improvements (ARI) Master Plan. The ARI Master Plan is one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of the districts which constitute such ARI Authority, which master plan will change from time to time.

On November 7, 2006, the electorate authorized general obligation debt in the amount of \$72,000,000 in each category to provide financing for the design, acquisition, construction and installation of the essential public-purpose facilities above. The District's Service Plan authorizes the total Debt issuance to \$72,000,000, with a maximum debt mill levy of 50.000 mills (subject to adjustment), and also authorized the District to impose an operations mill levy.

The District intends to receive developer advances to help fund initial operating and administrative expenditures until other revenues are available to the District. The current construction of District improvements is expected to be financed by developer advances until bonded debt is issued to repay the developer.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

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

**ABILENE STATION METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes (Continued)

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

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Tax

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

Transfer from Abilene Station Metropolitan District No. 1

The transfers from Abilene Station Metropolitan District No. 1 (ASMD No. 1) is to provide funding for the overall administrative for the District per the memorandum of understanding between the District and ASMD No. 1.

Expenditures

General and administration

General and administration expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

Debt and Leases

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2023, as defined under TABOR.

This information is an integral part of the accompanying budget.

EXHIBIT D

District No. 1 - Application for Exemption from 2022 Audit

District No. 2 - 2021 Audit

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

NAME OF GOVERNMENT	Abilene Station Metropolitan District No. 1
ADDRESS	8390 E Crescent Parkway
	Suite 300
	Greenwood Village, CO 80111
CONTACT PERSON	Jason Carroll
PHONE	303-779-5710
EMAIL	Jason.Carroll@claconnect.com

For the Year Ended
12/31/2022
or fiscal year ended:

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

NAME:	Jason Carroll
TITLE	Accountant for the District
FIRM NAME (if applicable)	CliftonLarsonAllen LLP
ADDRESS	8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
PHONE	303-779-5710
DATE PREPARED	February 28, 2023
RELATIONSHIP TO ENTITY	CPA Firm providing accounting services to the District

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Please use this space to provide explanation of any items on this page

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		
		General Fund*	Fund*		Fund*	Fund*	
Assets				Assets			
1-1	Cash & Cash Equivalents	\$ -	\$ -	Cash & Cash Equivalents	\$ -	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
1-5	Property Tax Receivable	\$ -	\$ -	Other Current Assets [specify...]	\$ -	\$ -	
	All Other Assets [specify...]						
1-6	Lease Receivable (as Lessor)	\$ -	\$ -				
1-7		\$ -	\$ -	Total Current Assets	\$ -	\$ -	
1-8		\$ -	\$ -	Capital & Right to Use Assets, net (from Part 6-4)	\$ -	\$ -	
1-9		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	
Deferred Outflows of Resources:				Deferred Outflows of Resources			
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-14	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS	\$ -	\$ -	
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	
Liabilities				Liabilities			
1-16	Accounts Payable	\$ -	\$ -	Accounts Payable	\$ -	\$ -	
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-19	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-21	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ -	\$ -	(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ -	\$ -	
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-23		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ -	\$ -	(add lines 1-21 through 1-26) TOTAL LIABILITIES	\$ -	\$ -	
Deferred Inflows of Resources:				Deferred Inflows of Resources			
1-28	Deferred Property Taxes	\$ -	\$ -	Pension/OPEB Related	\$ -	\$ -	
1-29	Lease related (as lessor)	\$ -	\$ -	Other [specify...]	\$ -	\$ -	
1-30	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -	(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	\$ -	
Fund Balance				Net Position			
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -	
1-32	Nonspendable Inventory	\$ -	\$ -				
1-33	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -	
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-36	Unassigned:	\$ -	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
1-37	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ -	\$ -	Add lines 1-31 through 1-36 This total should be the same as line 3-33 TOTAL NET POSITION	\$ -	\$ -	
1-38	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ -	\$ -	Add lines 1-27, 1-30 and 1-37 This total should be the same as line 1-15 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ -	\$ -	

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds			
		General Fund*	Fund*		Fund*	Fund*		
Tax Revenue				Tax Revenue				Please use this space to provide explanation of any items on this page
2-1	Property [include mills levied in Question 10-6]	\$ 123,663	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -		
2-2	Specific Ownership	\$ 7,807	\$ -	Specific Ownership	\$ -	\$ -		
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -		
2-4	Other Tax Revenue [specify...]:	\$ -	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -		
2-5		\$ -	\$ -		\$ -	\$ -		
2-6		\$ -	\$ -		\$ -	\$ -		
2-7		\$ -	\$ -		\$ -	\$ -		
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ 131,470	\$ -	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -		
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -		
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -		
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -		
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -		
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -		
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -		
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -		
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -		
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -		
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -		
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ -	\$ -		
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -		
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -		
2-22	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -		
2-23		\$ -	\$ -		\$ -	\$ -		
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 131,470	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -		
Other Financing Sources				Other Financing Sources				
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -		
2-26	Lease Proceeds	\$ -	\$ -	Lease Proceeds	\$ -	\$ -		
2-27	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -		
2-28	Other [specify...]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -		
2-29	Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -		
2-30	Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 131,470	\$ -	Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -	\$ 131,470	

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 -STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund*	Fund*		Fund*	Fund*	
	Expenditures			Expenses			
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ -	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12	Transfer to Abilene Station MD No. 2	\$ 129,615	\$ -	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21	Treasurer Fees	\$ 1,855	\$ -		\$ -	\$ -	
3-22	Add lines 3-1 through 3-21	\$ 131,470	\$ -	Add lines 3-1 through 3-21	\$ -	\$ -	
	TOTAL EXPENDITURES			TOTAL EXPENSES			GRAND TOTAL
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	\$ 131,470
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation/Amortization	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	(Add lines 3-23 through 3-28)			(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ -	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31			Net Position, December 31			
	Sum of Lines 3-30, 3-31, and 3-32			Sum of Lines 3-30, 3-31, and 3-32			
	This total should be the same as line 1-37.	\$ -	\$ -	This total should be the same as line 1-37.	\$ -	\$ -	

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES NO

Please use this space to provide any explanations or comments:

4-1	Does the entity have outstanding debt?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-2	Is the debt repayment schedule attached? If no, MUST explain: <input style="width: 400px; height: 15px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-3	Is the entity current in its debt service payments? If no, MUST explain: <input style="width: 400px; height: 15px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)			
	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
	General obligation bonds	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -
	Lease Liabilities	\$ -	\$ -	\$ -
	Developer Advances	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -

*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

YES NO

4-5	Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	How much?	\$ 72,000,000		
If yes:	Date the debt was authorized:	11/7/2006		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	How much?	\$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	What is the amount outstanding?	\$ -		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	What is being leased?	<input style="width: 350px; height: 15px;" type="text"/>		
	What is the original date of the lease?	<input style="width: 350px; height: 15px;" type="text"/>		
	Number of years of lease?	<input style="width: 350px; height: 15px;" type="text"/>		
	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	What are the annual lease payments?	\$ -		

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

AMOUNT TOTAL

Please use this space to provide any explanations or comments:

5-1	YEAR-END Total of ALL Checking and Savings accounts	\$ -		
5-2	Certificates of deposit	\$ -		
	TOTAL CASH DEPOSITS		\$ -	
	Investments (if investment is a mutual fund, please list underlying investments):			
		\$ -		
		\$ -		
5-3		\$ -		
		\$ -		
	TOTAL INVESTMENTS		\$ -	
	TOTAL CASH AND INVESTMENTS		\$ -	

Please answer the following question by marking in the appropriate box

YES NO N/A

5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain: <input style="width: 400px; height: 15px;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:	
6-1	Does the entity have capitalized assets?	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
6-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain:	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
6-3	Complete the following Capital & Right-To-Use Assets table for GOVERNMENTAL FUNDS:				
		Balance - beginning of the year ¹	Additions ²	Deletions	Year-End Balance
Land		\$ -	\$ -	\$ -	\$ -
Buildings		\$ -	\$ -	\$ -	\$ -
Machinery and equipment		\$ -	\$ -	\$ -	\$ -
Furniture and fixtures		\$ -	\$ -	\$ -	\$ -
Infrastructure		\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)		\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets		\$ -	\$ -	\$ -	\$ -
Intangible Assets		\$ -	\$ -	\$ -	\$ -
Other (explain):		\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance)		\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)		\$ -	\$ -	\$ -	\$ -
TOTAL		\$ -	\$ -	\$ -	\$ -
6-4	Complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS:				
		Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land		\$ -	\$ -	\$ -	\$ -
Buildings		\$ -	\$ -	\$ -	\$ -
Machinery and equipment		\$ -	\$ -	\$ -	\$ -
Furniture and fixtures		\$ -	\$ -	\$ -	\$ -
Infrastructure		\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)		\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets		\$ -	\$ -	\$ -	\$ -
Intangible Assets		\$ -	\$ -	\$ -	\$ -
Other (explain):		\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance)		\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)		\$ -	\$ -	\$ -	\$ -
TOTAL		\$ -	\$ -	\$ -	\$ -

* Must agree to prior year-end balance
- Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

PART 7 - PENSION INFORMATION

*		YES	NO	Please use this space to provide any explanations or comments:
7-1	Does the entity have an "old hire" firefighters' pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
7-2	Does the entity have a volunteer firefighters' pension plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	Who administers the plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Indicate the contributions from:				
Tax (property, SO, sales, etc.):		\$ -		
State contribution amount:		\$ -		
Other (gifts, donations, etc.):		\$ -		
TOTAL		\$ -		
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		\$ -		

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	N/A	Please use this space to provide any explanations or comments:
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

If yes: Please indicate the amount appropriated for each fund separately for the year reported

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 145,000
Debt Service Fund	\$ 109,633
Capital Projects Fund	\$ 2,458,175
	\$ -

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? <small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments: 10-3: Streets, water, sanitary and storm sewer, public transportation, traffic and safety, mosquito control, television relay, park and recreation, and fire protection. 10-4: Under the Service Plan, Abilene Station Metropolitan District No. 1 ("the District") operates in conjunction with Abilene Station Metropolitan District No. 2. The District acts as the "Taxing District" and Abilene Station MD No.2 acts as the "Management District" under the "Facilities Funding, Construction and Operation Agreement" dated June 8, 2007 between these two entities. Abilene Station MD No.2 will operate, maintain, finance and construct Facilities and provide administrative services for both entities and the District will provide revenue to Abilene Station MD. No. 2 to fund such activities.						
10-1	Is this application for a newly formed governmental entity? If yes: Date of formation: <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>							
10-2	Has the entity changed its name in the past or current year? If Yes: NEW name <input type="text"/> PRIOR name <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>							
10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
10-4	Please indicate what services the entity provides: <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>							
10-5	Does the entity have an agreement with another government to provide services? If yes: List the name of the other governmental entity and the services provided: <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
10-6	Does the entity have a certified mill levy? If yes: Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts):	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
	<table border="1"> <tbody> <tr> <td>Bond Redemption mills</td> <td>0.000</td> </tr> <tr> <td>General/Other mills</td> <td>40.000</td> </tr> <tr> <td>Total mills</td> <td>40.000</td> </tr> </tbody> </table>	Bond Redemption mills	0.000		General/Other mills	40.000	Total mills	40.000		
Bond Redemption mills	0.000									
General/Other mills	40.000									
Total mills	40.000									

Please use this space to provide any additional explanations or comments not previously included:

OSA USE ONLY

Entity Wide:		General Fund		Governmental Funds		Notes
Unrestricted Cash & Investments	\$	-	Unrestricted Fund Balan \$	-	Total Tax Revenue \$	131,470
Current Liabilities	\$	-	Total Fund Balance \$	-	Revenue Paying Debt Service \$	-
Deferred Inflow	\$	-	PY Fund Balance \$	-	Total Revenue \$	131,470
			Total Revenue \$	131,470	Total Debt Service Principal \$	-
			Total Expenditures \$	131,470	Total Debt Service Interest \$	-
			Interfund In \$	-		
Governmental			Interfund Out \$	-	Enterprise Funds	
Total Cash & Investments	\$	-	Proprietary		Net Position \$	-
Transfers In	\$	-	Current Assets \$		PY Net Position \$	-
Transfers Out	\$		Deferred Outflow \$		Government-Wide	
Property Tax	\$	123,663	Current Liabilities \$		Total Outstanding Debt \$	-
Debt Service Principal	\$		Deferred Inflow \$		Authorized but Unissued \$	72,000,000
Total Expenditures	\$	131,470	Cash & Investments \$		Year Authorized	11/7/2006
Total Developer Advances	\$		Principal Expense \$			
Total Developer Repayments	\$					

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of ALL members of the governing body below.

A MAJORITY of the members of the governing body must complete and sign in the column below.

1	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
	David Erb	Signed <u>David Erb</u> Date: <u>3/10/2023</u> My term Expires: <u>May 2025</u>
2	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
	Marilyn Erb	Signed <u>Marilyn Erb</u> Date: <u>3/10/2023</u> My term Expires: <u>May 2023</u>
3	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
		Signed _____ Date: _____ My term Expires: _____
4	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
		Signed _____ Date: _____ My term Expires: _____
5	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
		Signed _____ Date: _____ My term Expires: _____
6	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
		Signed _____ Date: _____ My term Expires: _____
7	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
		Signed _____ Date: _____ My term Expires: _____



CliftonLarsonAllen LLP
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Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAconnect.com

Accountant's Compilation Report

Board of Directors
Abilene Station Metropolitan District No. 1
Arapahoe County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Abilene Station Metropolitan District No. 1 as of and for the year ended December 31, 2022, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Abilene Station Metropolitan District No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 28, 2023



Certificate Of Completion

Envelope Id: 849FABD1297F4B7580DE63E4A856633F	Status: Completed
Subject: Complete with DocuSign: Abilene Station MD No. 1 - 2022 Audit Exemption.pdf	
Client Name: Abilene Station Metropolitan District No. 1	
Client Number: A508530	
Source Envelope:	
Document Pages: 10	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	CJ Cook
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 S 6th St Ste 300
	Minneapolis, MN 55402-1418
	cj.cook@claconnect.com
	IP Address: 50.169.146.162

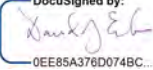
Record Tracking

Status: Original	Holder: CJ Cook	Location: DocuSign
3/10/2023 10:43:14 AM	cj.cook@claconnect.com	

Signer Events

David Erb
 dje@davidjerb.com
 President
 Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

 0EE85A378D074BC...
 Signature Adoption: Uploaded Signature Image
 Using IP Address: 73.229.68.234

Timestamp

Sent: 3/10/2023 10:46:37 AM
 Viewed: 3/10/2023 11:14:32 AM
 Signed: 3/10/2023 11:14:54 AM

Electronic Record and Signature Disclosure:

Accepted: 3/10/2023 11:14:32 AM
 ID: 0debe9c6-8b83-4017-97d7-cc8d003519c9

Marilyn Erb
 mae@davidjerb.com
 Security Level: Email, Account Authentication (None)

DocuSigned by:

 081384662896489...
 Signature Adoption: Pre-selected Style
 Using IP Address: 73.229.68.234

Sent: 3/10/2023 10:46:37 AM
 Viewed: 3/10/2023 1:25:03 PM
 Signed: 3/10/2023 1:25:24 PM

Electronic Record and Signature Disclosure:

Accepted: 2/25/2019 12:15:04 PM
 ID: 3b969dcf-35ed-4f5c-b997-3d6837523605

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/10/2023 10:46:37 AM
Certified Delivered	Security Checked	3/10/2023 1:25:03 PM
Signing Complete	Security Checked	3/10/2023 1:25:24 PM
Completed	Security Checked	3/10/2023 1:25:24 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

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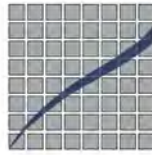
ABILENE STATION METROPOLITAN DISTRICT NO. 2
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

**ABILENE STATION METROPOLITAN DISTRICT NO. 2
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YEAR ENDED DECEMBER 31, 2021**

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Abilene Station Metropolitan District No. 2

Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Abilene Station Metropolitan District No. 2 ("District") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2021, the respective changes in financial position, and the budgetary comparison schedule for the general fund, and the budgetary comparison for the general fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

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

BiggsKofford, P.C.

Colorado Springs, Colorado
September 28, 2022

BASIC FINANCIAL STATEMENTS

ABILENE STATION METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 22,261
Cash and Investments - Restricted	3,900
Accounts Receivable - Intergovernmental	682
Property Taxes Receivable	6
Prepaid Expenses	5,196
Capital Assets, Not Being Depreciated:	
Construction in Progress	<u>2,832,126</u>
Total Assets	<u>2,864,171</u>
LIABILITIES	
Accounts Payable	12,328
Noncurrent Liabilities:	
Due in More Than One Year	<u>4,754,875</u>
Total Liabilities	<u>4,767,203</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>6</u>
Total Deferred Inflows of Resources	<u>6</u>
NET POSITION	
Restricted For:	
Emergency Reserves	3,900
Unrestricted	<u>(1,906,938)</u>
Total Net Position	<u><u>\$ (1,903,038)</u></u>

See accompanying Notes to Basic Financial Statements.

ABILENE STATION METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 40,475	\$ -	\$ 128,255	\$ -	\$ 87,780
Interest and Related Costs on Long-Term Debt	1,524,117	-	-	-	(1,524,117)
Total Governmental Activities	\$ 1,564,592	\$ -	\$ 128,255	\$ -	(1,436,337)
 GENERAL REVENUES					
Property Taxes					6
Net Investment Income					29
Total General Revenues					35
 CHANGE IN NET POSITION					
Net Position - Beginning of Year					(466,736)
 NET POSITION - END OF YEAR					
					\$ (1,903,038)

See accompanying Notes to Basic Financial Statements.

**ABILENE STATION METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 22,261	\$ -	\$ 22,261
Cash and Investments - Restricted	3,900	-	3,900
Due from Other Districts - Abilene Station MD No. 1	682	-	682
Property Taxes Receivable	6	-	6
Prepaid Insurance	5,196	-	5,196
Total Assets	<u>\$ 32,045</u>	<u>\$ -</u>	<u>\$ 32,045</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 12,328	\$ -	\$ 12,328
Total Liabilities	12,328	-	12,328
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	6	-	6
Total Deferred Inflows of Resources	6	-	6
FUND BALANCES			
Nonspendable:			
Prepaid Expenses	5,196	-	5,196
Restricted For:			
Emergencies (TABOR)	3,900	-	3,900
Unassigned	10,615	-	10,615
Total Fund Balances	<u>19,711</u>	<u>-</u>	<u>19,711</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 32,045</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

2,832,126

Long-term liabilities, including Developer advances payable and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.

Developer Advance Payable

(3,160,486)

Accrued Interest Payable - Developer Advance

(1,594,389)

Net Position of Governmental Activities

\$ (1,903,038)

See accompanying Notes to Basic Financial Statements.

ABILENE STATION METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 6	\$ -	\$ 6
Transfer from Abilene Station Metro No. 1	128,255	-	128,255
Net Investment Income	29	-	29
Total Revenues	<u>128,290</u>	<u>-</u>	<u>128,290</u>
EXPENDITURES			
General:			
Accounting	13,367	-	13,367
Dues and Licenses	3,300	-	3,300
Insurance	5,192	-	5,192
Engineering	2,421	-	2,421
Legal	9,577	-	9,577
District Management	6,569	-	6,569
Miscellaneous	49	-	49
Capital Projects:			
Capital Outlay	-	2,513,527	2,513,527
Total Expenditures	<u>40,475</u>	<u>2,513,527</u>	<u>2,554,002</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	87,815	(2,513,527)	(2,425,712)
OTHER FINANCING SOURCES (USES)			
Developer Advances	-	2,513,527	2,513,527
Repay Interest on Developer Advances	(100,000)	-	(100,000)
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>2,513,527</u>	<u>2,413,527</u>
NET CHANGE IN FUND BALANCES	(12,185)	-	(12,185)
Fund Balances - Beginning of Year	<u>31,896</u>	<u>-</u>	<u>31,896</u>
FUND BALANCES - END OF YEAR	<u>\$ 19,711</u>	<u>\$ -</u>	<u>\$ 19,711</u>

See accompanying Notes to Basic Financial Statements.

**ABILENE STATION 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, 2021**

Net Change in Fund Balances - Governmental Funds \$ (12,185)

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

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

Capital Assets Acquired 2,513,527

The issuance of long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment 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.

Developer Advance - Infrastructure (2,513,527)

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.

Repayment of Developer Advances Interest - O&M 100,000
Accrued Interest on Developer Advance - Change in Liability (1,524,117)

Change in Net Position of Governmental Activities \$ (1,436,302)

**ABILENE STATION METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 6	\$ 6	\$ 6	\$ -
Interest Income	60	60	29	(31)
Transfers from Abilene Station Metro No. 1	127,865	127,865	128,255	390
Total Revenues	<u>127,931</u>	<u>127,931</u>	<u>128,290</u>	<u>359</u>
EXPENDITURES				
General:				
Accounting	13,500	13,250	13,367	(117)
Insurance	6,500	5,200	5,192	8
District Management	15,000	10,000	6,569	3,431
Legal	16,500	10,000	9,577	423
Miscellaneous Expenses	250	150	49	101
Engineering	-	-	2,421	(2,421)
Dues and Licenses	3,000	3,300	3,300	-
Snow Removal	2,500	2,500	-	2,500
Detention Pond	10,000	10,000	-	10,000
Contingency	2,750	1,500	-	1,500
Total Expenditures	<u>70,000</u>	<u>55,900</u>	<u>40,475</u>	<u>15,425</u>
EXCESS OF REVENUES OVER EXPENDITURES	57,931	72,031	87,815	15,784
OTHER FINANCING SOURCES (USES)				
Repay Developer Advances	-	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	57,931	(27,969)	(12,185)	15,784
Fund Balance - Beginning of Year	<u>22,802</u>	<u>31,896</u>	<u>31,896</u>	<u>9,094</u>
FUND BALANCE - END OF YEAR	<u>\$ 80,733</u>	<u>\$ 3,927</u>	<u>\$ 19,711</u>	<u>\$ 24,878</u>

See accompanying Notes to Basic Financial Statements.

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 DEFINITION OF REPORTING ENTITY

Abilene Station 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 Arapahoe County District Court recorded on March 16, 2007, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Aurora (City), Arapahoe County, Colorado. The organization was approved by eligible electors of District at an election held on November 7, 2006. The District operates in accordance with its Service Plan, as approved by the City on July 24, 2006 (the Service Plan).

The District was organized in conjunction with Abilene Station Metropolitan District No.1 (District No. 1, and together with the District, the Districts) to collectively undertake the financing and construction of the improvements under the Service Plan. The District was established to provide financing for the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the public improvements within the District including streets, parks and recreation, water, sanitation and storm, public transportation, mosquito control, safety protection, limited fire protection and television relay and translation. The District is not authorized to operate and maintain any part or all of the public improvements, other than park and recreation improvements, unless the provision of such operation and maintenance is pursuant to an intergovernmental agreement with the City.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

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

Separate financial statements are provided for 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.

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. 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.

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

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 2021.

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

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

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), 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, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress.

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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 2021.

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. Accordingly, the item, *deferred property tax revenue*, is deferred, and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

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

Fund Balance

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

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 22,261
Cash and Investments - Restricted	3,900
Total Cash and Investments	\$ 26,161

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 5,844
Investments	20,317
Total Cash and Investments	\$ 26,161

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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, 2021, the District's cash deposits had a bank balance and a carrying balance of \$5,844.

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

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average	<u>\$ 20,317</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 is 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. 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 is rated AAmmf by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net value using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	<u>Balance - December 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance - December 31, 2021</u>
Capital Assets, Not Being Depreciated:				
Infrastructure	<u>\$ 318,599</u>	<u>\$ 2,513,527</u>	<u>\$ -</u>	<u>\$ 2,832,126</u>
Total Capital Assets, Not Being Depreciated	<u>\$ 318,599</u>	<u>\$ 2,513,527</u>	<u>\$ -</u>	<u>\$ 2,832,126</u>

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Additions	Reductions	Balance - December 31, 2021	Due Within One Year
Governmental Activities					
Notes from Direct Borrowings and Direct Placements:					
Developer Advances - O&M	\$ 328,360	\$ -	\$ -	\$ 328,360	\$ -
Developer Advances - Capital Infrastructure	318,599	2,513,527	-	2,832,126	-
Accrued Interest on Developer Advances - O&M	91,581	142,961	100,000	134,542	-
Accrued Interest on Developer Advances - Capital	78,691	1,381,155	-	1,459,846	-
Total	<u>\$ 817,231</u>	<u>\$ 4,037,644</u>	<u>\$ 100,000</u>	<u>\$ 4,754,875</u>	<u>\$ -</u>

Authorized Debt

At an election held November 7, 2006, a majority of the qualified electors of the District who voted in the election authorized the issuance of general obligation indebtedness in an amount not to exceed \$802,000,000 for providing public improvements and refunding of previously issued indebtedness.

	Amount Authorized on November 7, 2006	Authorization Used	Authorized But Unissued
Streets	\$ 72,000,000	\$ -	\$ 72,000,000
Water	72,000,000	-	72,000,000
Sanitary and Storm Sewer	72,000,000	-	72,000,000
Parks and Recreation	72,000,000	-	72,000,000
Traffic & Safety	72,000,000	-	72,000,000
Mosquito Control	72,000,000	-	72,000,000
Public Transportation	72,000,000	-	72,000,000
Fire Protection	72,000,000	-	72,000,000
Television Relay and Translation	72,000,000	-	72,000,000
Operations and Maintenance	10,000,000	-	10,000,000
Debt Refunding	72,000,000	-	72,000,000
Intergovernmental Contracts	72,000,000	-	72,000,000
Total	<u>\$ 802,000,000</u>	<u>\$ -</u>	<u>\$ 802,000,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$72,000,000. The District anticipates a debt issuance prior to year-end 2022.

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 NET POSITION

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

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2021, as follows:

Restricted Net Position:		
Emergencies	\$	3,900

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of developer advances for public improvements, of which a significant portion of these improvements will be conveyed to other governmental entities and which costs will be removed from the District's financial records.

NOTE 7 AGREEMENTS

Intergovernmental Agreement with the City of Aurora

The District and the City are parties to an Intergovernmental Agreement (City IGA) dated June 26, 2007, which provides contractual enforcement rights to the City with respect to certain restrictions set forth in the District's Service Plan. Under the City IGA, the District covenants to dedicate all public improvements to the City or other appropriate jurisdiction, and covenants that all improvements will be constructed in compliance with the City's standards and specifications. The City IGA states that the District is not authorized to operate and maintain improvements, other than park and recreation improvements, unless otherwise agreed to by the City. Further, the District is required to impose a mill levy for Aurora Regional Improvements (the ARI Mill Levy) commencing in the first year the District imposes a debt service mill levy.

Facilities Funding, Construction and Operations Agreement

On June 8, 2007, the District and District No. 1 entered into a Facilities Funding, Construction and Operations Agreement, as modified by the Amended and Restated Addendum dated September 11, 2008 (collectively, the FFCOA), whereby the District, as the Management District, agrees to provide administrative services, as well as coordinating, construction, and management of certain improvements for both the District and District No. 1. The District agrees to own (subject to transfer to other governmental entities or authorities), operate, maintain, finance, and construct the Facilities (as defined in the FFCOA) and District No. 1 agrees to contribute to the cost of the same through the issuance of bonds and/or the imposition of a mill levy.

Intergovernmental Agreement for Street Maintenance and Cost Sharing

On April 21, 2008, the District, District No. 1, and the City entered into an Intergovernmental Agreement for Street Maintenance and Cost Sharing (IGA). The IGA sets forth the ownership, maintenance, regulatory, and funding responsibilities of each party for certain streets that serve the property within the District and District No. 1.

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 AGREEMENTS (CONTINUED)

ARTA Agreement

On July 21, 2008, the District entered into the Third Amendment to Aurora Regional Transportation Authority (ARTA) Establishment Agreement, along with other metropolitan districts within the City. This Agreement was further amended to add additional metropolitan district members. Pursuant to the Agreement, ARTA will plan, design, acquire, construct, relocate, redevelop, and finance regional improvements within the boundaries of the metropolitan districts which are a party to the Agreement using the revenue from the ARI Mill Levy (as defined therein) of each of the districts. In accordance with the Agreement, the City has been offered the right to appoint no less than 30% and no more than 49% of the ARTA Board, but as of December 31, 2021, had not exercised this right.

NOTE 8 RELATED PARTIES

The Developer of the property within the District is Abilene Station, LLC. All of the members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

Operation Funding Agreements

On April 6, 2007, the District and Abilene Corporate Center LLC (n/k/a Abilene Station LLC) entered into an Operation Funding Agreement (2007-2008 OFA), whereby the Developer agreed to advance funds to the District for operation and maintenance expenses incurred for fiscal years 2007 through 2008 up to \$200,000, and the District agreed to reimburse the Developer for those advances, together with interest accruing at 8% per annum. On December 11, 2008, and effective January 1, 2009, the District and the Developer entered into a 2009-2011 Operation Funding Agreement (2009-2011 OFA), whereby the Developer agreed to advance funds to the District for operation and maintenance expenses incurred for fiscal years 2009 through 2011 as set forth in each year's annual budget, as may be amended, and the District agreed to reimburse the Developer for those advances, together with interest accruing at 8% per annum.

On April 7, 2015, the District, District No. 1, and the Developer entered into a 2015 Operation Funding Agreement, as amended by the First Amendment dated November 5, 2016, the Second Amendment dated November 21, 2017, and effective January 1, 2018, the Third Amendment dated November 20, 2018, and the Fourth Amendment dated November 19, 2019 (collectively, the 2015 OFA, and with the 2007-2008 OFA and the 2009-2011 OFA, the OFAs), whereby the Developer agreed to advance funds to the District for operation and maintenance expenses of the District and District No. 1 incurred for fiscal years 2015 through 2020 up to \$175,000, and the District agreed to reimburse the Developer for those advances, together with interest accruing at 8% per annum. The parties acknowledged that the Developer incurred costs during the period that the District and District No. 1 were inactive and that those costs will be reimbursable in accordance with the terms of the 2015 OFA (Reimbursable Interim Costs), as contemplated in the Letter Agreement (discussed below).

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 RELATED PARTIES (CONTINUED)

Operation Funding Agreements (Continued)

Further, the 2015 OFA establishes the priority of payment of the Reimbursable Interim Costs and the advances made under the various funding agreements with the Developer relative to funding the operation and maintenance of the District and District No. 1. In the event the District has not reimbursed the Developer for all costs under the 2015 OFA by December 31, 2060, any outstanding principal and interest will be deemed to be forever discharged and satisfied in full.

The District's obligations under the OFAs are subject to annual appropriation and are not multiple-fiscal year obligations of the District. As of December 31, 2021, the amount outstanding under the OFAs totaled \$328,360 of principal and \$129,959 of interest.

Project Funding and Reimbursement Agreement

On April 11, 2007, the District and Abilene Corporate Center, LLC (n/k/a Abilene Station, LLC) entered into a Project Funding and Reimbursement Agreement. The Project Funding and Reimbursement Agreement sets forth the rights, obligations, and procedures for the District to reimburse the Developer for Organization Expenses and Construction Related Expenses (as such terms are defined therein) advanced by the Developer. The Developer agreed to advance to the District those funds necessary for Construction Related Expenses in fiscal years 2007 through 2011 up to the amount of \$10,000,000. The amounts advanced by the Developer bear interest at the rate of 8% per annum. The District's obligations under the agreement are subject to annual appropriation and are not multiple-fiscal year obligations of the District. In the event the District has not reimbursed the Developer for all costs under the agreement by December 31, 2047, any outstanding principal and interest will be deemed to be forever discharged and satisfied in full.

Facilities Acquisition Agreement

On April 17, 2015, the District, District No. 1, and the Developer entered into a Facilities Acquisition Agreement (FAA) which sets forth the respective rights, obligations, and procedures with respect to the Districts' acquisition of and/or reimbursement for public improvements constructed by the Developer. The Developer agrees to construct the public improvements in accordance with the terms therein to be acquired by the Districts or another local governmental entity for ownership, operation, and maintenance. The Districts agree to reimburse the Developer for the construction costs expended and verified in accordance with the terms of the FAA up to the maximum amount of \$5,000,000, together with interest accruing at 8% per annum. Further, the Districts agree to reimburse the Developer for costs associated with the organization of the Districts, together with interest accruing at 8% per annum. The obligation of the Districts are subject to annual appropriation and are not multiple-fiscal year obligations of the Districts. In the event the Districts have not reimbursed the Developer for all costs under the FAA by December 31, 2055, any outstanding principal and interest will be deemed to be forever discharged and satisfied in full. As of December 31, 2021, the amount outstanding under the FAA totaled \$2,832,126 of principal and \$1,117,214 of interest.

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 RELATED PARTIES (CONTINUED)

Letter Agreement

Pursuant to the Letter Agreement between the District and the Developer dated December 14, 2010 (Letter Agreement), the parties agreed that the District's obligations under the 2007-2008 OFA, the 2009-2011 OFA, and the Project Funding and Reimbursement Agreement (collectively, the Funding Agreements) would be suspended during the period that the District was declared inactive and that the District agreed to reimburse the Developer for amounts advanced under the Funding Agreements, together with interest accrued prior to and during the period of inactivity, upon returning to active status. The District further agreed to reimburse the Developer for costs incurred by the Developer to maintain the District during inactive status.

NOTE 9 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property 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 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

ABILENE STATION METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On November 7, 2006 a majority of the District's electors authorized the District to collect and spend or retain ad valorem taxes of up to \$5,000,000 annually for operations and maintenance expenses of the District without regard to any limitations imposed by TABOR beginning in 2007. Additionally, the District electors authorized the District to collect, retain and spend all revenue without regard to limitation under TABOR in 2007 and all subsequent years.

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

**ABILENE STATION METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Transfer from Abilene Station Metro No. 1	\$ 2,458,175	\$ 2,458,175	\$ -	\$ (2,458,175)
Total Revenues	<u>2,458,175</u>	<u>2,458,175</u>	<u>-</u>	<u>(2,458,175)</u>
EXPENDITURES				
General:				
Contingency	12,226	12,226	-	12,226
Capital Projects:				
Bond Issue Costs	258,175	258,175	-	258,175
Streets	966,451	966,451	-	966,451
Sewer	1,062,997	1,062,997	-	1,062,997
Park and Recreation	1,325	1,325	-	1,325
Capital Outlay	-	441,825	2,513,527	(2,071,702)
Total Expenditures	<u>2,301,174</u>	<u>2,742,999</u>	<u>2,513,527</u>	<u>229,472</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	157,001	(284,824)	(2,513,527)	(2,228,703)
OTHER FINANCING SOURCES (USES)				
Developer Advances	-	441,825	2,513,527	2,071,702
Repay Developer Advances	(157,001)	(157,001)	-	157,001
Total Other Financing Sources (Uses)	<u>(157,001)</u>	<u>284,824</u>	<u>2,513,527</u>	<u>2,228,703</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ABILENE STATION METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021

<u>Year Ended December 31,</u>	Prior Year Assessed Valuation for Current Year <u>Tax Levy</u>	Mills <u>Levied</u>	<u>Total Property Taxes</u>		Percent Collected to Levied
			<u>Levied</u>	<u>Collected</u>	
2017	\$ 290	40.000	\$ 12	\$ 4	33.33
2018	145	40.000	6	6	100.00
2019	145	40.000	6	6	100.00
2020	145	40.000	6	6	100.00
2021	145	40.000	6	6	100.00
Estimated for the Year Ending December 31, 2022	145	40.000	6	-	0%

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.