

ANNUAL INFORMATION REPORT
For the year 2023
YORK STREET METROPOLITAN DISTRICT

As required by Section VII of the Service Plan for the above-referenced District, approved by the City on August 11, 2015, we present the following report of the District's activities from January 1, 2023 to December 31, 2023.

1. **Boundary changes made or proposed to the District's boundaries as of December 31, 2023:**

There were no changes or proposed changes made to the District's Boundaries as of December 31, 2023.

2. **Intergovernmental Agreements made or proposed with other governmental entities as of December 31, 2023:**

The District did not enter into any intergovernmental agreements in 2023.

3. **Copies of the District's rules and regulations, if any, promulgated or modified as of December 31, 2023:**

The District has not adopted any rules and regulations as of December 31, 2023. In the event the District adopts rules and regulations in the future, such documents may be accessed at the offices of Special District Management Services, Inc., 141 Union Blvd., Suite 150, Lakewood, CO 80228, 303-987-0835, or on the District's website: yorkstreetmd.colorado.gov.

4. **A summary of any litigation involving the District as of December 31, 2023:**

The District was not involved in any litigation during 2023.

5. **The status of the District's construction of the District Improvements as of December 31, 2023:**

Public Improvements have been constructed by the Developer in 2022.

6. **A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31, 2022:**

There have been no improvements accepted by the City in 2023.

7. **The assessed valuation of the District for the current year:**

A copy of the 2023 Certification of Valuation by Adams County Assessor is attached hereto as **Exhibit A**.

8. **The current year budget, including a description of the District Improvements to be constructed in such year:**

A copy of the 2024 Budget is attached hereto as **Exhibit B**.

9. **An audit of the District's financial statements for the year ending December 31, 2023 prepared in accordance with generally accepted auditing standards or an audit exemption, if authorized by State law:**

A copy of the District's 2022 Audit is attached hereto as **Exhibit C**. A copy of the District's 2023 Audit will be submitted upon completion.

10. **Notice of any uncured event of default under any District Debt instrument, which continued beyond a ninety (90) day period:**

None.

11. **Any inability of the District to pay its Bonds when due in accordance with the terms of such obligations, which continued beyond a ninety (90) day period:**

The District did not experience any inability to pay its Bonds when due.

EXHIBIT A

2023 Assessed Valuation

Ken Musso
ASSESSOR



Assessor's Office
4430 South Adams County Parkway
2nd Floor, Suite C2100
Brighton, CO 80601-8201
PHONE 720.523.6038
FAX 720.523.6037
www.adcogov.org

DEC 14 2023

December 11, 2023

YORK STREET METRO DISTRICT
SPECIAL DISTRICT MANAGEMENT SERVICES INC
Attn: JUDY LEYSHON
141 UNION BLVD STE 150
LAKEWOOD CO 80228-1898

To JUDY LEYSHON:

Enclosed is the final 2023 certified value.

This value is subject to change by the State Board of Assessment Appeals and the State Board of Equalization as provided by law.

In accordance with the law, you are directed to certify a mill levy for the year 2023, by January 10, 2024.

Please note: If the mill levy is 0, a DLG form still needs to be returned.

Certification forms should be mailed to: Adams County Finance Department
4430 S. Adams County Pkwy. Ste. C4000A
Brighton, CO 80601

Please email completed DLG form to: MillLevy@adcogov.org
Questions: 720-523-6862

Sincerely,

Ken Musso
Adams County Assessor
KM/rmb

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **420 - YORK STREET METRO DISTRICT**

IN ADAMS COUNTY ON 12/11/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (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 2023 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,483,230
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$5,306,770
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$5,306,770
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$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.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
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.):	\$0.00

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

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

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$78,350,182
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(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.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, 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:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** 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 f(3). C.R.S.	

EXHIBIT B
2024 Budget

YORK STREET METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**YORK STREET METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/28/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 352,039	\$ 474,997	\$ 571,637
REVENUES			
Property taxes	353,522	354,297	354,296
Specific ownership taxes	25,604	24,216	24,801
Interest income	2,510	7,846	23,500
Total revenues	<u>381,636</u>	<u>386,359</u>	<u>402,597</u>
Total funds available	<u>733,675</u>	<u>861,356</u>	<u>974,234</u>
EXPENDITURES			
General Fund	51,901	85,418	110,000
Debt Service Fund	206,777	204,301	220,000
Total expenditures	<u>258,678</u>	<u>289,719</u>	<u>330,000</u>
Total expenditures and transfers out requiring appropriation	<u>258,678</u>	<u>289,719</u>	<u>330,000</u>
ENDING FUND BALANCES	<u>\$ 474,997</u>	<u>\$ 571,637</u>	<u>\$ 644,234</u>
EMERGENCY RESERVE	\$ 3,200	\$ 3,200	\$ 3,500
AVAILABLE FOR OPERATIONS	148,089	166,952	171,039
DEBT SERVICE RESERVE (\$148,700)	148,700	148,700	148,700
DEBT SERVICE SURPLUS (\$148,700)	148,700	148,700	148,700
TOTAL RESERVE	<u>\$ 448,689</u>	<u>\$ 467,552</u>	<u>\$ 471,939</u>

No assurance provided. See summary of significant assumptions.

**YORK STREET METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/28/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Residential	\$ 4,549,560	\$ 4,422,620	\$ 5,249,070
State assessed	1,580	1,690	1,460
Vacant land	290	290	280
Personal property	51,050	58,630	55,960
	<u>4,602,480</u>	<u>4,483,230</u>	<u>5,306,770</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 4,602,480</u>	<u>\$ 4,483,230</u>	<u>\$ 5,306,770</u>
MILL LEVY			
General	21.152	21.761	19.000
Debt Service	55.664	57.266	47.763
Total mill levy	<u>76.816</u>	<u>79.027</u>	<u>66.763</u>
PROPERTY TAXES			
General	\$ 97,352	\$ 97,560	\$ 100,829
Debt Service	256,192	256,737	253,467
Levied property taxes	<u>353,544</u>	<u>354,297</u>	<u>354,296</u>
Adjustments to actual/rounding	(22)	-	-
Budgeted property taxes	<u>\$ 353,522</u>	<u>\$ 354,297</u>	<u>\$ 354,296</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 97,346</u>	<u>\$ 97,560</u>	<u>\$ 100,829</u>
Debt Service	<u>256,176</u>	<u>256,737</u>	<u>253,467</u>
	<u>\$ 353,522</u>	<u>\$ 354,297</u>	<u>\$ 354,296</u>

No assurance provided. See summary of significant assumptions.

**YORK STREET METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/28/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 98,783	\$ 151,289	\$ 170,152
REVENUES			
Property taxes	97,346	97,560	100,829
Specific ownership taxes	7,051	6,668	7,058
Interest income	10	53	6,500
Total revenues	<u>104,407</u>	<u>104,281</u>	<u>114,387</u>
Total funds available	<u>203,190</u>	<u>255,570</u>	<u>284,539</u>
EXPENDITURES			
General and administrative			
Accounting	20,419	18,000	20,000
Auditing	5,900	6,500	7,000
County Treasurer's fee	1,460	1,463	1,512
Dues and membership	459	359	580
Insurance	5,051	945	3,500
District management	10,480	10,000	15,000
Legal	6,534	8,000	10,000
Miscellaneous	26	71	-
Election	1,572	80	-
Repay developer advance	-	40,000	50,000
Contingency	-	-	2,408
Total expenditures	<u>51,901</u>	<u>85,418</u>	<u>110,000</u>
Total expenditures and transfers out requiring appropriation	<u>51,901</u>	<u>85,418</u>	<u>110,000</u>
ENDING FUND BALANCES	<u>\$ 151,289</u>	<u>\$ 170,152</u>	<u>\$ 174,539</u>
EMERGENCY RESERVE	\$ 3,200	\$ 3,200	\$ 3,500
AVAILABLE FOR OPERATIONS	148,089	166,952	171,039
TOTAL RESERVE	<u>\$ 151,289</u>	<u>\$ 170,152</u>	<u>\$ 174,539</u>

No assurance provided. See summary of significant assumptions.

**YORK STREET METROPOLITAN DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/28/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 253,256	\$ 323,708	\$ 401,485
REVENUES			
Property taxes	256,176	256,737	253,467
Specific ownership taxes	18,553	17,548	17,743
Interest income	2,500	7,793	17,000
Total revenues	<u>277,229</u>	<u>282,078</u>	<u>288,210</u>
Total funds available	<u>530,485</u>	<u>605,786</u>	<u>689,695</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,843	3,851	3,802
Miscellaneous	51	-	-
Contingency	-	-	7,858
Debt Service			
Loan Interest	122,883	120,450	118,340
Loan Principal	80,000	80,000	90,000
Total expenditures	<u>206,777</u>	<u>204,301</u>	<u>220,000</u>
Total expenditures and transfers out requiring appropriation	<u>206,777</u>	<u>204,301</u>	<u>220,000</u>
ENDING FUND BALANCES	<u>\$ 323,708</u>	<u>\$ 401,485</u>	<u>\$ 469,695</u>
DEBT SERVICE RESERVE (\$148,700)	\$ 148,700	\$ 148,700	\$ 148,700
DEBT SERVICE SURPLUS (\$148,700)	148,700	148,700	148,700
TOTAL RESERVE	<u>\$ 297,400</u>	<u>\$ 297,400</u>	<u>\$ 297,400</u>

No assurance provided. See summary of significant assumptions.

**YORK STREET METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Thornton on December 2, 2015 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on August 11, 2015. The District's service area is located in Adams County.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

On November 3, 2015, the District's voters authorized total indebtedness of \$51,840,000 for the above listed facilities. The District's voters also authorized total indebtedness of \$5,760,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities. The election also approved an annual increase in property taxes of \$1,000,000 without limitation of rate, to pay the District's operation and maintenance costs.

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 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.

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. As of December 31, 2024, the adjusted maximum mill levy for debt service is 47.763 mills. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable.

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.

**YORK STREET METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes – (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

Specific Ownership Taxes

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 7% of the property taxes collected.

Investment Income

Interest earned on the District’s available funds has been estimated based on an average interest rate of approximately 5.00%.

Expenditures

Administrative Expenses

Administrative expenditures include the services necessary to maintain the District’s administrative viability such as legal, accounting, managerial, insurance, banking, meeting expense, and other administrative expenses.

County Treasurer’s fees

County Treasurer’s fees have been computed at 1.5% of property tax collections.

**YORK STREET METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Debt Service

Principal and interest payments are provided based on the anticipated debt amortization schedule from the Series 2019A Bonds (discussed under Debt and Leases).

Debt and Leases

Tax-Exempt Loan, Series 2019A Bonds

On November 20, 2019, the District issued the 2019A Bonds in the principal amount of \$4,100,000 during December of 2019. The 2019A Bonds were issued as tax-exempt bonds with an interest rate of 3.00% per annum. Interest is payable semi-annually on June 1 and December 1, commencing on June 1, 2020. Mandatory principal payments are due on December 1, commencing on December 1, 2020, with final payment due on December 1, 2034.

The 2019A Bonds were secured by (1) the Required Mill Levy, (2) that portion of the Specific Ownership Tax allocable to the Required Mill Levy, and (3) any other legally available moneys with the District determines in its sole discretion to apply as pledged revenue. Proceeds from the 2019A Bonds, together with existing funds of the District held in connection with the Series 2017 Bonds were used to (i) refund the District's outstanding General Obligation Limited Tax (Convertible to Unlimited Tax)

Bonds, Series 2017 A and Subordinate General Obligation Limited Tax Bonds, Series 2017B, (ii) reimburse amounts due and owing to the developer, (iii) fund a debt service reserve fund for the Loan, as provided herein, and (iii) pay the costs related to the issuance of the Loan.

Developer Advances

The District entered into an Advance and Reimbursement Agreement for Operation and Maintenance (Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 7% beginning on the date the advance were made to the date of repayment. The Agreement does not constitute a multiple-fiscal year obligation.

**YORK STREET METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

The following is an analysis of changes in long-term obligations:

	Balance - December 31, 2022	Additions *	Payments *	Balance - December 31, 2023
	Series 2019 Loan - Principal	\$ 3,960,000	\$ -	\$ 80,000
Developer Advances	128,357	-	-	128,357
Accrued Interest - Developer Advances	34,599	9,110	40,000	3,709
Total Long Term Obligations	\$ 4,122,956	\$ 9,110	\$ 120,000	\$ 4,012,066

	Balance - December 31, 2023	Additions *	Payments *	Balance - December 31, 2024
	Series 2019 Loan - Principal	\$ 3,880,000	\$ -	\$ 90,000
Developer Advances	128,357	-	42,472	85,885
Accrued Interest	3,709	7,376	7,528	3,557
Total Long Term Obligations	\$ 4,012,066	\$ 7,376	\$ 140,000	\$ 3,879,442

* Estimates

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2024, as defined under TABOR.

Debt Service Reserve

Series 2019 Bonds – The District will be required to maintain a debt service reserve and surplus fund in accordance with the 2019 bond issuance.

This information is an integral part of the accompanying forecasted budget.

**YORK STREET METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE
REQUIREMENTS TO MATURITY**

\$4,100,000

Taxable Loan Refunding and Improvement Issue, Series 2019

Principal Payable December 1

3.00% through 5.50% Interest Rate Payable

June 1 and December 1

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 90,000	\$ 118,340	\$ 208,340
2025	90,000	115,279	205,279
2026	95,000	112,542	207,542
2027	100,000	109,652	209,652
2028	105,000	106,903	211,903
2029	110,000	103,417	213,417
2030	120,000	100,071	220,071
2031	120,000	96,421	216,421
2032	125,000	93,025	218,025
2033	135,000	88,968	223,968
2034	180,000	84,862	264,862
2035	120,000	143,550	263,550
2036	130,000	136,950	266,950
2037	140,000	129,800	269,800
2038	150,000	122,100	272,100
2039	160,000	113,850	273,850
2040	175,000	105,050	280,050
2041	180,000	95,425	275,425
2042	200,000	85,525	285,525
2043	210,000	74,525	284,525
2044	225,000	62,975	287,975
2045	240,000	50,600	290,600
2046	260,000	37,400	297,400
2047	420,000	23,100	443,100
	<u>\$ 3,880,000</u>	<u>\$ 2,310,330</u>	<u>\$ 6,190,330</u>

No assurance provided. See summary of significant assumptions.

EXHIBIT C
2022 Audit

**YORK STREET METROPOLITAN DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**YORK STREET METROPOLITAN DISTRICT
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Independent Auditor's Report

To the Board of Directors
York Street Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of York Street Metropolitan District (the District), as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of York Street Metropolitan District, as of December 31, 2022, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 our report. We are required to be independent of York Street Metropolitan District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 York Street Metropolitan 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 opinion. 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 York Street Metropolitan 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 York Street Metropolitan District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

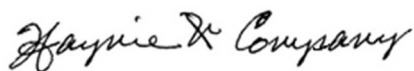
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise York Street Metropolitan District's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The other information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Littleton, Colorado

June 30, 2023

BASIC FINANCIAL STATEMENTS

**YORK STREET METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 154,960
Cash and Investments - Restricted	332,105
Property Taxes Receivable	354,296
Prepaid Expenses	450
Total Assets	<u>841,811</u>
LIABILITIES	
Accounts Payable	5,346
Accrued Interest Payable - Bonds	10,038
Due to County Treasurer	7,172
Noncurrent Liabilities:	
Due in Less than One Year	80,000
Due in More than One Year	4,042,956
Total Liabilities	<u>4,145,512</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>354,296</u>
NET POSITION	
Restricted for:	
Emergency Reserves	3,200
Debt Service	164,970
Unrestricted	<u>(3,826,167)</u>
Total Net Position	<u><u>\$ (3,657,997)</u></u>

See accompanying Notes to Basic Financial Statements.

**YORK STREET METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	Program Revenues			Net Revenue (Expense) and Changes in Net Position
Expenses	Charges Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government	\$ 51,901	\$ -	\$ -	\$ (51,901)
Interest and Related Costs on Long-Term Debt	135,559	-	-	(135,559)
Total Governmental Activities	\$ 187,460	\$ -	\$ -	(187,460)
GENERAL REVENUES				
Property Taxes				353,522
Specific Ownership Taxes				25,604
Net Investment Income				2,509
Total General Revenues				381,635
CHANGE IN NET POSITION				194,175
Net Position - Beginning of Year				(3,852,172)
NET POSITION - END OF THE YEAR				\$ (3,657,997)

See accompanying Notes to Basic Financial Statements.

**YORK STREET METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 154,960	\$ -	\$ 154,960
Cash and Investments - Restricted	3,200	328,905	332,105
Property Taxes Receivable	97,559	256,737	354,296
Prepaid Insurance	450	-	450
	<u>\$ 256,169</u>	<u>\$ 585,642</u>	<u>\$ 841,811</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 5,346	\$ -	\$ 5,346
Due to County Treasurer	1,975	5,197	7,172
Total Liabilities	<u>7,321</u>	<u>5,197</u>	<u>12,518</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	97,559	256,737	354,296
Total Deferred Inflows of Resources	<u>97,559</u>	<u>256,737</u>	<u>354,296</u>
FUND BALANCES (DEFICITS)			
Nonspendable:			
Prepaid Expenses	450	-	450
Restricted for:			
Emergency Reserves	3,200	-	3,200
Debt Service	-	323,708	323,708
Unassigned	147,639	-	147,639
Total Fund Balances	<u>151,289</u>	<u>323,708</u>	<u>474,997</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 256,169</u>	<u>\$ 585,642</u>	

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

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

Loan Payable	(3,960,000)
Accrued Interest Payable - Bonds	(10,038)
Developer Advance Payable	(128,357)
Accrued Interest Payable - Developer Advances	(34,599)

Net Position of Governmental Activities

\$ (3,657,997)

See accompanying Notes to Basic Financial Statements.

**YORK STREET METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 97,346	\$ 256,176	\$ 353,522
Specific Ownership Taxes	7,051	18,553	25,604
Net Investment Income	10	2,499	2,509
Total Revenues	<u>104,407</u>	<u>277,228</u>	<u>381,635</u>
EXPENDITURES			
Current:			
Accounting	20,419	-	20,419
Audit	5,900	-	5,900
Legal	6,534	-	6,534
Election	1,572	-	1,572
Management	10,480	-	10,480
Insurance and Bonds	5,051	-	5,051
County Treasurer's Fees	1,460	3,843	5,303
Dues and licenses	459	-	459
Miscellaneous	26	50	76
Debt Service:			
Loan Principal	-	80,000	80,000
Loan Interest	-	122,883	122,883
Total Expenditures	<u>51,901</u>	<u>206,776</u>	<u>258,677</u>
NET CHANGE IN FUND BALANCES	52,506	70,452	122,958
Fund Balances - Beginning of Year	<u>98,783</u>	<u>253,256</u>	<u>352,039</u>
FUND BALANCES - END OF YEAR	<u>\$ 151,289</u>	<u>\$ 323,708</u>	<u>\$ 474,997</u>

See accompanying Notes to Basic Financial Statements.

**YORK STREET METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds	\$	122,958
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Amounts reported for governmental activities in the statement of activities are different because:

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

Principal Repayment		80,000
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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.

Change in Accrued Interest on Developer Advances		(8,985)
Change in Accrued Interest Payable on Loan		202

Changes in Net Position of Governmental Activities		<u>\$ 194,175</u>
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**YORK STREET METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 97,352	\$ 97,346	\$ (6)
Specific Ownership Taxes	6,815	7,051	236
Net Investment Income	114	10	(104)
Total Revenues	<u>104,281</u>	<u>104,407</u>	<u>126</u>
EXPENDITURES			
Current:			
Accounting	20,000	20,419	(419)
Audit	5,900	5,900	-
Election	10,000	1,572	8,428
Legal	10,000	6,534	3,466
District Management	15,000	10,480	4,520
Insurance and Bonds	3,500	5,051	(1,551)
County Treasurer's Fees	1,460	1,460	-
Dues and Licenses	580	459	121
Miscellaneous	-	26	(26)
Contingency	6,560	-	6,560
Total Expenditures	<u>73,000</u>	<u>51,901</u>	<u>21,099</u>
NET CHANGE IN FUND BALANCE	31,281	52,506	21,225
Fund Balance - Beginning of Year	<u>98,021</u>	<u>98,783</u>	<u>762</u>
FUND BALANCE - END OF YEAR	<u>\$ 129,302</u>	<u>\$ 151,289</u>	<u>\$ 21,987</u>

See accompanying Notes to Basic Financial Statements.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

York Street Metropolitan District (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for Adams County on December 2, 2015, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Thornton dated August 11, 2015. The District's service area is located in Adams County, Colorado entirely within the City of Thornton (City).

The District was established principally to provide water, sanitary sewer and storm drainage services and to provide construction, installation, financing and operation of streets, park and recreation, mosquito control, transportation and television relay systems and improvements in addition to the water, sanitary sewer and storm drainage improvements to areas within and outside the boundaries of the District.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 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.

Pooled Cash and Investments

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

Property Taxes

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

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

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.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 154,960
Cash and Investments - Restricted	<u>332,105</u>
Total Cash and Investments	<u><u>\$ 487,065</u></u>

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

Deposits with Financial Institutions	\$ 158,160
Investments	<u>328,905</u>
Total Cash and Investments	<u><u>\$ 487,065</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2022, the District's cash deposits had a bank balance of \$163,130 and a carrying balance of \$158,160.

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.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- * Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
PNC Money Market Fund	Weighted-Average Under 60 Days	<u>\$ 328,905</u>

PNC Money Market Fund

The debt service money that is included in the trust accounts at PNC is invested in the Federated Treasury Obligations Fund. This portfolio is a money market mutual fund which invests in U.S. treasury obligations, which are fully guaranteed as to principal and interest by the United States, with maturities of 13 months or less and repurchase agreements collateralized by U.S. treasury obligations. The Federated Treasury Obligation Fund is rated AAAM by Standard & Poor's.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2021	Additions	Deletions	Balance - December 31, 2022	Current Portion
Series 2019 Loan - Principal	\$ 4,040,000	\$ -	\$ 80,000	\$ 3,960,000	\$ 80,000
Developer Advances	128,357	-	-	128,357	-
Developer Advances - Accrued Interest	25,614	8,985	-	34,599	-
Notes/Loan from Direct Borrowings and Direct Subtotal	4,193,971	8,985	80,000	4,122,956	80,000
 Total Long-Term Obligations	 \$ 4,193,971	 \$ 8,985	 \$ 80,000	 \$ 4,122,956	 \$ 80,000

The detail of the District's long-term obligation is as follows:

2019 Taxable Converting to Tax Exempt Refunding Loan

Loan Details

On November 20, 2019, the District entered into a 2019 Taxable Converting to Tax Exempt Refunding Loan (the 2019 Loan) with BBVA Mortgage Corporation (the Lender) in the amount of \$4,100,000. Proceeds from the sale of the 2019 Loan were applied to: (i) fund the escrow for the refunding of the District's outstanding General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2017A (the 2017A Bonds) and Subordinate General Obligation Limited Tax Bonds, Series 2017B (the 2017B Bonds); (ii) fund the Reserve Fund in the amount of the Reserve Requirement; (iii) pay, or reimburse the Developer for, the costs associated with the acquisition, construction, or installation of a portion of public improvements; and (iv) pay costs in connection with the issuance of the 2019 Loan.

Commencing on the Closing Date through, but not including any tax-exempt reissuance date, if such date ever occurs, (and if the tax-exempt reissuance date never occurs, through and including the maturity date), the 2019 Loan bears interest at the taxable fixed rate of 3.80% calculated on the basis of a 360-day year and actual number of day elapsed. Interest payments are due semiannually on June 1 and December 1, commencing June 1, 2020. Principal payments are due on December 1, beginning on December 1, 2020, through the maturity date of December 1, 2034. Interest not paid when due shall remain due and owing, but shall not compound or bear additional interest. In the event that any interest is due but unpaid on and after the maturity date, interest shall continue to be payable on June 1 and December 1.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2019 Taxable Converting to Tax Exempt Refunding Loan (Continued)

Optional Prepayment

The District may, at its option, prepay the 2019 Loan in whole, or, with consent of the Lender, in part, on any interest payment date occurring on or after five years from the Closing Date upon payment to the Lender of the principal amount, accrued interest, and a prepayment fee, subject to certain conditions. No prepayment fee is due for any prepayment of the 2019 Loan which occurs on or after 10 years from the Closing Date. Optional prepayments are to be applied first against the principal payment due on the maturity date, and then in inverse order of maturity.

Pledged Revenue

The 2019 Loan is secured by and payable solely from Pledged Revenue, net of any costs of collection, which consists of: (i) the Required Mill Levy; (ii) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and (iii) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue.

Required Mill Levy

Prior to the time when the debt to assessed ratio is 50% or less, the District has covenanted to impose a Required Mill Levy in an amount which, when combined with any moneys in the Revenue Fund not required to be applied to the payment of the 2019 Loan, and excluding moneys in the Reserve Fund or the Surplus Fund, will generate property tax revenues of not less than the Debt Requirements of the 2019 Loan for the next fiscal year, but (i) not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed value occurring after January 1, 2004), and (ii) as long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment), or such lesser mill levy which will pay the Debt Requirements when due and will fund the Surplus Fund to the Maximum Surplus Amount.

Once the debt to assessed ratio is 50% or less, the District has covenanted to impose a Required Mill levy in an amount which, when combined with moneys in the Revenue Fund not required to be applied to the payment of the 2019 Loan, and excluding moneys in the Reserve Fund or the Surplus Fund, will generate property tax revenues of not less than the Debt Requirements for the next fiscal year, without limitation of rate and in amounts sufficient to make such payments when due. Once the debt to assessed ratio is 50% or less, the Required Mill levy shall be determined exclusively by the paragraph regardless of any subsequent increase in the debt to assessed ratio.

Debt Requirements means: (i) principal due in the fiscal year; (ii) interest due in such fiscal year; (iii) amounts (if any) necessary to replenish the Reserve Fund to the Reserve Requirement; (iv) amounts necessary to fund the Surplus Fund to the Maximum Surplus Amount; and (v) the amount of any fees, costs and expenses then owed, including amounts unpaid in prior years.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2019 Taxable Converting to Tax Exempt Refunding Loan (Continued)

Additional Security

The 2019 Loan is also secured by the Reserve Fund, which was funded in the amount of the Reserve Requirement of \$148,700 from proceeds of the 2019 Loan and by amounts on deposit in the Surplus Fund, if any, which was not funded as of the date of issuance of the 2019 Loan.

Reserve Fund

Subject to the receipt of sufficient Pledged Revenue, the Reserve Fund is to be maintained in the amount of the Reserve Requirement for so long as the 2019 Loan is outstanding. If at any time the Reserve Fund is drawn upon so that the amount of the Reserve Fund is less than the Reserve Requirement, the District is to deposit to the Reserve Fund amounts sufficient to bring the amount credited to the Reserve Fund to the Reserve Requirement. The amount credited to the Reserve Fund shall never exceed the amount of the Reserve Requirement.

If the 2019 Loan balance is unpaid on the maturity date, amounts on deposit in the Reserve Fund, if any, shall, at the discretion of the Lender, be applied to the payment of the 2019 Loan. The balance in the Reserve Fund as of December 31, 2022, was \$149,893.

Surplus Fund

The Surplus Fund will be funded from deposits of annual Pledged Revenue in excess of that needed to pay annual debt service, if any, up to the Maximum Surplus Amount of \$101,716. Except to the extent Pledged Revenue is available, the District has no obligation to fund the Surplus Fund in any amount. There was no balance in the Surplus Fund as of December 31, 2022.

Refunding

On November 20, 2019, the District issued the 2019 Loan and converted this loan to tax exempt in September of 2021, with a fixed interest rate of 3.80% to advance refund \$2,490,000 of outstanding principal of its Series 2017A Bonds with an interest rate of 6.25% and \$473,000 of outstanding principal of its Series 2017B Bonds with an average interest rate of 8.25%. Proceeds from the 2019 Loan, 2017A Bond funds, and 2017B Bond funds in the amount of \$3,452,094 were used to purchase United States Treasury State and Local Government Series securities and those securities, along with cash of \$77,814, were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2017A Bonds and the 2017B Bonds. As a result, the 2017A Bonds and 2017B Bonds are considered to be defeased and the liability for those bonds has been removed from the District's financial statements. The economic gain cannot be calculated with certainty due to the possibility of the interest rate on the 2019 Loan changing if reissued as a tax-exempt loan and because the 2017B Bonds were cash flow bonds which did not have scheduled principal repayment.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2019 Taxable Converting to Tax Exempt Refunding Loan (Continued)

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the Loan Agreement:

- i. the District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by this Agreement;
- ii. the District fails to pay the principal of or interest on the Loan or any other amount payable to the Lender hereunder when due;
- iii. the District fails to observe or perform any of the material covenants, agreements, duties, or conditions on the part of the District in this Agreement or the other Financing Documents to which it is a party, and the District fails to remedy the same to the satisfaction of the Lender within 30 days after the District receives written notice from the Lender of the occurrence of such failure (the "Cure Period Notice") (except for an Event of Default pursuant to (a) above, which shall not be subject to any cure period or Cure Period Notice) and such Cure Period Notice may also constitute the notice required under the definition of "Noticed Event of Default" contained in Article I hereof provided that the elements stated in such definition are contained therein and the effective date thereof is not earlier than thirty-one days following the date thereof; provided however, that there shall be no Event of Default for failure to observe or perform any of the covenants, agreements, or conditions on the part of the District in the Financing Documents which are qualified by the phrase "to the extent permitted by law" or by phrases of similar import, if a court or other tribunal of competent jurisdiction has determined in a final, non-appealable judgment that such covenants, agreements, or conditions are not permitted by law;
- iv. any representation or warranty made by the District in any Financing Document or any certificate, instrument, financial, or other statement furnished by the District to the Lender, proves to have been untrue or incomplete in any material respect when made or deemed made;
- v. the pledge of the Pledged Revenue, the Collateral, or any other security interest created hereunder fails to be fully enforceable with the priority required hereunder or thereunder;
- vi. any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$100,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest, pay, or satisfy such judgment or court order for 30 days;
- vii. a change occurs in the financial or operating conditions of the District, or the occurrence of any other event that, in the Lender's reasonable judgment, will have a materially adverse impact on the ability of the District to generate Pledged Revenue sufficient to satisfy the District's obligations under this Agreement or its other obligations, and the District fails to cure such condition within the time specified by the Lender in a written notice thereof from the Lender;

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default (Continued)

- viii. the District shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the District any case, proceeding, or other action of a nature referred to in Section 7.01 (j)(i) hereof and the same shall remain undismissed; or (iii) there shall be commenced against the District any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal, within 30 days from the entry thereof; (iv) the District shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the District shall generally not or shall be unable to, or shall admit in writing its inability to pay its debts when due; (i) any Financing Document or any material provision hereof or thereof, (i) ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District denies it has any or further liability under any such document to which it is a party; or (ii) any pledge or security interest created under the Financing Documents fails to be fully enforceable with the priority required hereunder or thereunder;
- ix. the District shall initiate, acquiesce, or consent to any proceedings to dissolve itself or to consolidate itself with other similar entities into a single entity, or the District shall otherwise cease to exist; and
- x. any funds or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established hereunder shall become subject to any writ, judgment, warrant, attachment, execution, or similar process.

Notice of Default

Notwithstanding any cure period described above, the District will immediately notify the Lender in writing when the District obtains knowledge of the occurrence of any Default or Event of Default.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Remedies of Default

In addition to the application of the Default Rate or the Post-Maturity Default Rate, upon the occurrence and during the continuance of any Event of Default, the Lender, at its option, may do any one or more of the following:

- i. exercise any and all remedies available hereunder;
- ii. apply all amounts constituting Collateral to the amounts due hereunder, in any order of priority determined by the Lender;
- iii. proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Lender; and
- iv. take any other action or exercise any other remedy available under the Financing Documents, at law or in equity;

provided however, that notwithstanding the foregoing or anything else herein to the contrary: (i) except for the application of the Default Rate and, if applicable, the Post-Maturity Default Rate, no remedy will lie at law or in equity for any Event of Default consisting solely of the failure of the District to pay the principal of, interest on the Loan when due, or to replenish the Reserve Fund to the amount of the Reserve Requirement, it being acknowledged by the Lender that the amount of Pledged Revenue is limited in accordance with the terms hereof; and (ii) acceleration shall not be an available remedy for an Event of Default.

As of December 31, 2022, the District was not in default.

The District's general obligation bond principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 80,000	\$ 120,450	\$ 200,450
2024	90,000	118,340	208,340
2025	90,000	115,279	205,279
2026	95,000	112,542	207,542
2027	100,000	109,652	209,652
2028-2032	580,000	499,837	1,079,837
2033-2034	2,925,000	173,831	3,098,831
Total	<u>\$ 3,960,000</u>	<u>\$ 1,249,931</u>	<u>\$ 5,209,931</u>

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 3, 2015, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$51,840,000 at an interest rate not to exceed 15% per annum.

At December 31, 2022, the District had authorized but unissued indebtedness from these elections in the following amounts allocated for the following purposes:

	Authorized 11/3/2015 Election	Authorization Used Series 2017A	Authorization Used Series 2017B	Authorization Used Series 2019	Remaining at December 31, 2022
Streets	\$ 5,760,000	\$ 1,122,313	\$ 213,130	\$ 333,404	\$ 4,091,153
Sanitation	5,760,000	592,750	112,905	176,087	4,878,258
Water	5,760,000	333,698	63,562	99,131	5,263,609
Park and Recreation	5,760,000	327,671	61,771	97,341	5,273,217
Safety Protection	5,760,000	113,568	21,632	33,738	5,591,062
Public Transportation	5,760,000	-	-	-	5,760,000
Mosquito Control	5,760,000	-	-	-	5,760,000
Operations	5,760,000	-	-	-	5,760,000
Refunding	5,760,000	-	-	3,360,299	2,399,701
Total	<u>\$ 51,840,000</u>	<u>\$ 2,490,000</u>	<u>\$ 473,000</u>	<u>\$ 4,100,000</u>	<u>\$ 44,777,000</u>

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area. Pursuant to the District's service plan, the District is permitted to issue bond indebtedness of up to \$3,840,000. This limitation does not apply towards refunding of prior indebtedness.

Advance and Reimbursement Agreement for Operation and Maintenance Costs

The District and York35, LLC (Developer) have entered into an Advance and Reimbursement Agreement for Operation and Maintenance Costs dated February 17, 2016. Pursuant to the Advance and Reimbursement Agreement for Operation and Maintenance Costs, the Developer has agreed to advance funds for financing the costs associated with the formation of the District, and District operations and maintenance.

Advances made by the Developer shall accrue interest at 7.0% per annum from the time of deposit into the District's account until repaid. The District shall make payments for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements, or debt service costs. As of December 31, 2022 the outstanding principal is \$128,357 and interest is \$34,599.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 NET POSITION

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

Restricted assets include net position 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 restricted net position as of December 31, 2022, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserve (see Note 7)	\$ 3,200
Debt Service (see Note 4)	164,970
Total	\$ 168,170

The District's unrestricted net position as of December 31, 2022, totaled a deficit of \$3,826,167. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 6 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 (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.

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.

**YORK STREET METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 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.

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.

On November 3, 2015 a majority of the District's electors authorized the District to collect and spend or retain in reserve taxes of \$1,000,000 annually without regard to any limitations imposed by TABOR for general operations and maintenance of the District.

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

**YORK STREET METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 256,192	\$ 256,176	\$ (16)
Specific Ownership Taxes	17,933	18,553	620
Net Investment Income	276	2,499	2,223
Total Revenues	<u>274,401</u>	<u>277,228</u>	<u>2,827</u>
EXPENDITURES			
Current:			
County Treasurer's Fees	3,843	3,843	-
Miscellaneous	-	50	(50)
Contingency	7,774	-	7,774
Debt Service:			
Loan Interest	122,883	122,883	-
Loan Principal	80,000	80,000	-
Paying Agent Fees	5,500	-	5,500
Total Expenditures	<u>220,000</u>	<u>206,776</u>	<u>13,224</u>
NET CHANGE IN FUND BALANCE	54,401	70,452	16,051
Fund Balance - Beginning of Year	<u>248,847</u>	<u>253,256</u>	<u>4,409</u>
FUND BALANCE - END OF YEAR	<u>\$ 303,248</u>	<u>\$ 323,708</u>	<u>\$ 20,460</u>

OTHER INFORMATION

**YORK STREET METROPOLITAN DISTRICT
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 852,880	21.055	55.277	\$ 65,102	\$ 65,102	100.00 %
2019	1,950,450	21.055	55.277	148,882	148,882	100.00
2020	3,715,390	21.152	55.664	285,401	285,387	100.00
2021	4,348,940	21.152	55.664	334,068	333,683	99.88
2022	4,602,480	21.152	55.664	353,544	353,522	99.99
Estimated for the Year Ending December 31, 2023	\$ 4,483,230	21.761	57.266	\$ 354,296		

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