AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY
SPECIAL BOARD MEETING AGENDA
MEETING VIA MICROSOFT TEAMS

*NOTE: given current events and current advice and directives from local, state and federal jurisdictions related to COVID-19, this meeting is being held by teleconference and virtual meeting only. Board members, consultants and members of the public may participate by teleconference or by computer/tablet by utilizing the following information: URL link:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NjRlZmQ1N2MtYTJhZi00Zig3LTkxMDUtZiY3ZDU4MDkwMZUx%40thread.v2/0?context=%7b%22Tid%22%3a%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%22Oid%22%3a%2278e91a46-bdcc-4fe5-980c-8fT3dec70755%22%7d

Or Dial in:
+1 720-547-5281 United States, Denver (Toll)
Conference ID: 431 656 446#

CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111

Board of Directors:
Matthew Hopper, Chairman
Dave Gruber, Vice-Chair
Nicole Johnston, Secretary
Steve O’Dorisio, Treasurer
Charles “Chaz” Tedesco, Director

Date: August 12, 2020
Time: 11:00 a.m.
Place: VIA Microsoft Teams

1. CALL TO ORDER

2. DECLARATION OF QUORUM/DIRECTOR QUALIFICATIONS/DISCLOSURE MATTERS

3. APPROVE AGENDA

4. PUBLIC COMMENT and/or GUESTS
   Members of the public may express their views to the Board on matters that affect the Authority, Comments will be limited to three (3) minutes. Please sign in.
5. CONSENT AGENDA

Consent Agenda - The items listed below are a group of items to be acted on with a single motion and vote by the Board. The Board has received the information on these matters prior to the meeting. An item may be removed from the consent agenda to the regular agenda, if desired, by any Board member. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board.

A. Review and consider approval of July 22, 2020 Special Meeting Minutes. (enclosed)
B. Accept June 30, 2020 Continuing Disclosure Report (enclosed)

6. ENGINEERING/CONSTRUCTION MATTERS

A. Other

7. FINANCIAL MATTERS

A. Discuss underwriter presentations at August 26th Board meeting.
B. Discuss financial forecast and 2020 budget revenue projections.
C. Consider approval of investment advisory services agreement with Ehlers (enclosed)
D. Other

8. MANAGER MATTERS

A. Authority Manager Report
B. Discussion and possible action concerning matters presented by Authority Manager.
C. Other

9. LEGAL MATTERS

A. Authority Legal Counsel report
B. Discussion and possible action concerning contracts, intergovernmental agreements and other legal arrangements related to the planning, design and construction of the Authority’s Regional Transportation System and related matters.
C. Discussion and possible action to approve resolution including Green Valley Ranch East (GVRE) Property into the ARTA boundaries.
D. Discussion and possible action to approve resolution including Aurora Technology and Energy Corridor (ATEC) Property into the ARTA boundaries.
E. Discussion and possible action to approve Intergovernmental Agreement with AACMD regarding design and construction of the Aurora Highlands Parkway. (enclosed)

10. OTHER BUSINESS

A. Confirm Quorums for September 9, 2020 and September 23, 2020 Regular Meetings

11. EXECUTIVE SESSION (If needed, an executive session may be called pursuant to and for the purposes set forth in Section 24-6-402(4), C.R.S., after announcement of the specific topic for discussion and statutory citation authorizing the executive session, and a vote of two-thirds of the quorum of the Board present).

12. ADJOURNMENT
2020 SCHEDULED BOARD MEETINGS – 11:00 A.M.
Adams County Government Center
4430 S. Adams County Parkway, (5th Floor Study Session Conference Room)
Brighton, CO 80601
City of Aurora
15151 E. Alameda Parkway, (5th Floor Mt. Elbert Conference Room)
Aurora, CO 80012

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A special meeting of the Board of Directors (the “Board”) of the Aerotropolis Regional Transportation Authority (the “Authority”) was held on Wednesday, July 22, 2020 at 11:00 a.m. at CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, Colorado. Due to the current events and advice from local, state and federal jurisdictions related to COVID-19, this meeting was held via Microsoft Teams.

Attendance: In attendance were:

- Bob Blodgett; CliftonLarsonAllen LLP

In attendance via Microsoft Teams were Board members:

- Matthew Hopper, Chairman
- David Gruber, Vice Chairman
- Steve O’Dorisio, Treasurer
- Nicole Johnston, Secretary
- Charles “Chaz” Tedesco, Director

Also in attendance via Microsoft Teams were:

- Lisa Johnson; CliftonLarsonAllen LLP
- Tom George and Nicole Detweiler; Spencer Fane LLP
- Jim Mann, Ryan Miles and Melissa Buck; Ehlers
- Rick Gonzales; Marchetti & Weaver
- Michelle Gardner, Nancy Bailey and Dan Brotzman; City of Aurora
- Alisha Reis and Mark Osborne; Adams County
- Jon Hoistad; AACMD
- Todd Johnson; AACMD
- Carla Ferreira; AACMD
- Mike Baldwin; Jeffries Company
- Kerry Kiley; Stream
- Tyler Reed;

1. Call to Order

Chairman Hopper called the meeting to order at 11:05 a.m.
2. Declaration of Quorum/Director Qualifications/Disclosure Matters

Chairman Hopper noted that a quorum was present. Mr. George noted that disclosures have been filed.

3. Approve Agenda

Upon a motion duly made by Vice Chairman Gruber, seconded by Director Tedesco, and upon vote unanimously carried, the Board approved the agenda as presented.

4. Public Comment

None.

5. Consent Agenda

A. Review and consider approval of June 24, 2020 and July 8, 2020 Special Meeting Minutes

Upon a motion duly made by Vice Chairman Gruber, seconded by Secretary Johnston, and upon vote unanimously carried, the Board approved the Consent Agenda as submitted.

6. Engineering/Construction Matters

A. Progress Report from AACMD regarding the design and construction of the Authority’s Regional Transportation System, and discussion and possible action concerning same.

Mr. Johnson reviewed the progress with the Board.

Project Status:

- Overall:
  - Infrastructure work continues on Tributary T/TAH Parkway/E470 ramps.
  - Paving is 95% complete in Filing 01.
  - Initial Paving is complete on Denali, 42nd, Main Street completion within the next 30 days on northern portion another 30 days on south leg.
  - Landscaping elements to start over the next 30 days.
- The Aurora Highlands Parkway: JHL is constructing utility infrastructure from E470-Denali, storm sewer complete and paving to start in next 30 days. Main Street crossing is progressing. Construction to progress over the next 30 days.
- 26th Avenue: Paving projected to complete by end of July.
- E470 Interim Connection (right in/out): Project complete, E470 providing signoff.
E470 Full Interchange: The project team is progressing towards 75% plans. The first submittal of the COA PWP plans are projected to occur within 45 days. Design to progress over the next 30 days.

I-70 Interchange: The team virtually met with CDOT to discuss Transportation Demand Management (TDM). ARTA team provided update on the purpose and role of ARTA and its limitations on long term operation and maintenance of TDM elements. Team will continue to work with COA to coordinate TDM issues with CDOT and progression of finalizing 1601 process. Team has also had engagement and continues to coordinate with Union Pacific, PUC and Xcel on crossing at railroad. COA and CDOT IGA discussions are continuing. Design to progress over the next 30 days.

Powhaton Interim Connection: Design to progress over the next 30 days.

38th Avenue: The project has been split into three portions (1. Picadilly-Tibet; 2. Tibet-E470; 3. Picadilly-Odessa) to expedite plan approval and the potential construction (by others) of the portion between Picadilly and Tibet. Phase one Infrastructure plans are 95% complete. Phases two and three SWMP and Infrastructure plans are 80% complete with outstanding items related to Tributary T and First Creek crossings and CLOMR the long lead items prior to initial submission. Grading of portion one was started by Majestic’s Metro District. Grading of the northern section of portion from Himalaya to Odessa by TCMD. Design is projected to progress over the next 30 days. AACMD continues to work with ARTA’s counsel and the City to coordinate responsibilities and commitments along the corridor.

Treasurer O’Dorisio asked about issues causing a delay or additional costs to the ARTA project and budget. Mr. Johnson stated the District team is working closely with the City of Aurora to resolve some issues that could affect the schedule. There are no known issues affecting costs at this point.

Treasurer O’Dorisio stated the Board should be aware if there are any problems that could affect the projects and the future ability of ARTA collecting necessary revenues.

Mr. Johnson stated the District team is working on the 26th and Gun Club entrance as a safety valve in addition to the Aurora Highlands Parkway and 38th Place.

Mr. George asked about the reversal of the $429,000 charge for Kelly Trucking. Mr. Johnson stated this was inadvertently charged to ARTA and is being removed. The District has refined its review procedures to ensure this does not happen again.

Vice-Chairman Gruber stated the ARTA Board should tour the site in the near future to see the results of all of the work that the District and ARTA are doing. Chairman Hopper concurred.

B. Discussion and possible action concerning the review and verification of project costs associated with the Authority’s Regional Transportation System
Mr. Johnson distributed the Schedio report that indicates $210,611.18 has been certified for payment by ARTA to the District for valid regional infrastructure costs during June.

C. Discussion and possible action concerning planning, design and construction of Authority’s Regional Transportation System and related matters

No report.

D. City of Aurora Development Update– Jason Batchelor

On behalf of Mr. Batchelor, Ms. Nancy Bailey reported that within the 2,500 acre Aurora Highlands project, 2,000 acres are currently platted. 322 acres are in process for future lots and home construction by Richmond and Century Communities. 1,138 lots have been approved for construction by Richmond, Century Communities, DR Horton and Bridgestone builders. Richmond has pulled seven permits to date.

Vice Chairman Gruber asked how many homes will be constructed in 2020. Mr. Gonzales reported the 2020 budget includes 95 single-family homes to be constructed and provide revenue to ARTA.

E. Aurora Highlands Development Update– Carla Ferreira

Ms. Ferreira reported the Aurora Highlands will not sell as many homes in 2020 as anticipated due to many issues including the pandemic, builders and the City. Century Communities is concerned that they can build nine models, but their production lots to sell these models would not be available for another 120 days. The Richmond models are open and homes will sell the second week of August.

Chairman Hopper stated he would like the District to be able to have ARTA review information each month on the number of lots with model homes and for production as well as the number of starts and completions for homes.

Treasurer O’Dorisio expressed concern about whether the District should change its expenditure policy if the revenues are going to be short in 2020. Mr. Ferreira recommended that the District and ARTA proceed as planned so the necessary infrastructure is in place and building construction can occur once the City approvals are obtained.

The Board asked Mr. Mann to update the Authority’s revenue projects for 2020 with the expected number of homes to be completed this year for the August meeting.

Ms. Ferreira stated that the District and ARTA cannot afford to stop spending infrastructure dollars. These need to be frontloaded for the infrastructure so that the Aurora Highlands project can build its front door and the remaining infrastructure. Vice Chairman Gruber concurred.
Treasurer O’Dorisio stated that ARTA should carefully manage the infrastructure dollars but keep the momentum going and the necessary due diligence for its expenditures and revenues.

The Board thanked Ms. Ferreira for the work she and the developer are doing to bring the Aurora Highlands project to completion.

7. Financial Matters

A. Approval of 2019 Audit

Mr. Gonzales reviewed the 2019 Audit with the Board. After discussion, upon a motion duly made by Vice Chairman Gruber, seconded by Treasurer O’Dorisio, and upon vote unanimously carried, the Board approved the 2019 Audit subject to final legal review.

B. Presentation, discussion and possible action concerning June 30, 2020 financial statements

Mr. Gonzales reviewed the June 30, 2020 financial statements with the Board. After discussion, upon a motion duly made by Director Tedesco, seconded by Vice Chairman Gruber, and upon vote unanimously carried, the Board accepted the June 30, 2020 financial statements.

C. Presentation, discussion and possible action on June Claims Payable in the amount of $16,626.10

Mr. Gonzales reviewed the June claims with the Board. After discussion, upon a motion duly made by Vice Chairman Gruber, seconded by Secretary Johnston, and upon vote unanimously carried, the Board approved the claims in the amount of $16,626.10.

D. Presentation, discussion and possible action on AACMD Draw Requests(s) - $TBD

After discussion, upon a motion duly made by Vice Chairman Gruber, seconded by Treasurer O’Dorisio, and upon vote unanimously carried, the Board approved the AAMCD Draw Request in the amount of $210,611.18.

E. Presentation regarding Ehlers Investment Advisory Services

Mr. Miles presented information on Ehlers’ investment advisory services and fees. Treasurer O’Dorisio had questions regarding the competitive rates for their services in the industry. Mr. Miles responded that Ehlers is a fiercely independent fee-based advisor on behalf of ARTA. Action was deferred to the August meeting.

F. Discuss schedule for next bond issuance
Mr. Mann reviewed the schedule for the next potential bond issuance in the spring of 2021. He reported that critical path items are a confirmation of the Citi as the Authority’s underwriter, or selection of a new underwriter, and approval of a new market study with Metro Study at the August Board meeting.

The Board thanked Mr. Mann for his presentation

G. Other

None.

8. Manager Matters

A. Authority Manager Report

Mr. Blodgett reported the website is up to date. He will coordinate with Mr. Mann, Mr. Gonzales and other regarding updating the Authority’s revenue forecast for 2020.

B. Discussion and possible action concerning matters presented by Authority Manager

No report.

C. Other

None.

9. Legal Matters

A. Authority Legal Counsel Report

No report.

B. Discussion and possible action concerning contracts, intergovernmental agreements and other legal arrangements related to the planning, design and construction of the Authority’s Regional Transportation System and related matters.

No report.

C. Public Hearing concerning proposed inclusion of the Green Valley Ranch East (GVRE) Property and the Aurora Technology and Energy Corridor (ATEC) property into the ARTA boundaries.

Mr. George reported that statute and ARTA’s Establishing Agreement require ARTA to hold a public hearing prior to the inclusion of additional property into ARTA’s boundaries,
and that notice was mailed and published at least 20 days prior to today’s meeting as required by the Regional Transportation Authority Law, Sec. 43-4-601, et seq., C.R.S., and the ARTA Establishing Agreement for the proposed inclusion of the Green Valley Ranch East (GVRE) property and the Aurora Technology and Energy Corridor (ATEC) property.

Chairman Hopper opened the public hearing at 12:30 p.m. There were no public comments. He closed the public hearing at 12:31 PM.

D. Discussion and possible action regarding proposed inclusion of Green Valley Ranch East (GVRE) Property into the ARTA boundaries.

This item was deferred to the August 12th Board meeting.

E. Discussion and possible action regarding proposed inclusion of the Aurora Technology and Energy Corridor (ATEC) Property into the ARTA boundaries.

This item was deferred to the August 12th Board meeting.

10. Other Business

A. Confirm Quorum for August 12, 2020 and August 26, 2020 Regular Meetings

The Board confirmed a quorum for both of these meetings.

B. Other

Secretary Johnston updated the Board on the July 8th Application in front of the Aurora Planning Commission for drilling of oil wells 2,700 feet northwest of the intersection of Gun Club and 26th Avenue. She has called this item up for the August 3rd City Council meeting for a vote. She is concerned that these wells will impact the Aurora Highlands project and other residential properties nearby. Secretary Johnston indicated there would be 16 oil wells on a pad. Vice Chairman Gruber stated he is concerned about this proposed drilling as well. Ms. Ferreira indicated the full support of the Aurora Highlands project to oppose this drilling. She will discuss this with the District Board and their attorney.

Secretary Johnston will send additional information on the drilling to Mr. Blodgett for distribution to the Board.

11. EXECUTIVE SESSION

Upon a motion duly made by Chairman Hopper, seconded by Vice Chairman Gruber and upon a vote, unanimously carried, the Board entered into executive session pursuant to Section 24-6-402(4)(e), C.R.S., to determine positions relative to matters that may be subject to negotiations, develop strategy for negotiations, and instructing negotiators on matters related to the financing of the Authority’s Regional Transportation System at 12:48 p.m.
Upon a motion duly made by Secretary Johnston, seconded by Vice Chairman Gruber, and upon vote, unanimously carried, the Board left executive session at 2:00 p.m.

No action was taken.

12. Adjournment

As there were no further matters to discuss, upon a motion duly made by Chairman Hopper, the Board adjourned the meeting at 2:00 p.m.

Respectfully submitted,

______________________________
Secretary
APPENDIX A
(TO CONTINUING DISCLOSURE AGREEMENT)

FORM OF QUARTERLY REPORT OF THE AUTHORITY

$19,290,000
AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY
SPECIAL REVENUE BONDS
Series 2019

Date of Report August 5, 2020 for Quarter ending June 30, 2020

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement ("Agreement") entered into as of June 1, 2019, by and among the Aerotropolis Regional Transportation Authority (the "Authority"), Aurora Highlands, LLC, a Nevada limited liability company ("Developer"), and BOKF, N.A, Denver, Colorado, as trustee (the "Trustee") for the above captioned bonds (the "Bonds") or the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated as of June 12, 2019. Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above and is provided with respect to development within the boundaries of the Authority.

Section 1. Development Permit Activity in the Development. To be updated each quarter for so long as required under Section 5 of the Agreement. The Authority shall use reasonable efforts to complete this Section 2 to the extent of information available from public resources. If specific data is not available, the Authority is to use reasonable efforts to provide data similar in nature, to the extent publicly available.

(a) Building Permits. State the number of building permits that have been issued by the City of Aurora, Colorado (the "City") for property within the Development: (i) since the date of the last Quarterly Report, and (ii) since the commencement of development in the Development (i.e., the total number of building permits issued). (i) 6 residential; 5 public improvement and other non-residential (ii) 6 residential; 16 public improvements and other non-residential

(b) Certificates of Occupancy. Provide the number of certificates of occupancy that have been issued by the City for property within the Development (i) since the date of the last Quarterly Report, and (ii) since the commencement of development in the Development (i.e., the total number of certificates of occupancy issued). (i) none (ii) 1 non-residential.

Section 2. Fund Balances [based upon information received by the Authority from the Trustee with respect to the fund balances]. The amount on deposit in each of the following funds, as of the end of the calendar quarter for which this Quarterly Report is provided, is as set forth below.

(a) The amount on deposit in the Project Fund is $7,539,26.50;
(b) the amount on deposit in the Bond Fund for the Bonds is $1,484,102.27 including $1,470,553.50 on deposit in the Capitalized Interest Account;
(c) the amount on deposit in the Surplus Fund for the Bonds is $0.00; and
Section 3. Authorized Denominations. The Bonds are presently outstanding in Authorized Denominations (as defined in the Indenture) of:

- $100,000 and any integral multiple of $1,000 in excess thereof; or
- $5,000 or integral multiples thereof, as permitted by the Indenture.

Section 4. Attached Quarterly Authority Financial Information. Quarterly information listed below need not be included for the fourth quarter of each year if such information is included in the annual information set forth in Section 7 below. The following information for which the appropriate box is checked is attached to this Quarterly Report:

- Unaudited quarterly financial statements for the Authority for the period ending June 30, 2020.

- Year-to-date actual budget, compared with adopted budget for the Authority’s General Fund and Debt Service Fund as of June 30, 2020.

Section 5. Attached Annual Authority Financial Information. Each of the annual information items set forth below must be provided only once each year. Audited Financial Statements shall be provided with, and no later than, the appropriate Quarterly Report. The following information for which the appropriate box is checked is attached to this Quarterly Report:

- Audited Financial Statements of the Authority for the year ending 12/31/2019 (Must be provided with the September 30 Quarterly Report).

- Unaudited annual financial statements of the Authority for the year ending _________ (Must be provided with the March 31 Quarterly Report of the immediately succeeding year).

- Annual budget of the Authority for fiscal year YYYY. Such annual budget has been adopted by the Board of Directors of the Authority. (Must be provided with the December 31 Quarterly Report).

The information contained in this Quarterly Report has been obtained from sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness. The information contained in this Quarterly Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds and is neither intended to, nor shall it be, used by the Owners or Beneficial Owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this Quarterly Report by any person or entity shall create no obligation or liability of the Authority.

[Signature/Certification on Following Page]
The undersigned hereby certifies that he/she is an authorized representative of the Authority and further certifies that the information contained in the foregoing Quarterly Report is, to the best of his/her knowledge, true, accurate and complete. This Quarterly Report may be executed below on counterpart signature pages.

AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY

By: ----------------------------------------- -
Authorized Representative

[Signature/Certification Page to Quarterly Report]
**AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY**  
**Statement of Net Position**  
**June 30, 2020**

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<td>10,777,739</td>
</tr>
<tr>
<td><strong>OTHER CURRENT ASSETS</strong></td>
<td>52,686</td>
<td>-</td>
<td>63,558</td>
<td>-</td>
<td>116,245</td>
</tr>
<tr>
<td>Due From County Treasurer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Property Taxes Receivable</td>
<td>-</td>
<td>254</td>
<td>-</td>
<td>254</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL OTHER CURRENT ASSETS</strong></td>
<td>-</td>
<td>254</td>
<td>-</td>
<td>-</td>
<td>254</td>
</tr>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td>5,175,300</td>
<td>-</td>
<td>5,175,300</td>
<td>-</td>
<td>5,175,300</td>
</tr>
<tr>
<td>Capital Assets</td>
<td>5,175,300</td>
<td>-</td>
<td>5,175,300</td>
<td>-</td>
<td>5,175,300</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL FIXED ASSETS</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,175,300</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>428,551</td>
<td>2,844,706</td>
<td>7,504,736</td>
<td>5,175,300</td>
<td>15,953,293</td>
</tr>
<tr>
<td><strong>LIABILITIES &amp; DEFERRED INFLOWS</strong></td>
<td>52,686</td>
<td>-</td>
<td>63,558</td>
<td>-</td>
<td>116,245</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td>52,686</td>
<td>-</td>
<td>63,558</td>
<td>-</td>
<td>116,245</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>52,686</td>
<td>-</td>
<td>63,558</td>
<td>-</td>
<td>116,245</td>
</tr>
<tr>
<td>Accrued Liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>52,686</td>
<td>-</td>
<td>63,558</td>
<td>-</td>
<td>116,245</td>
</tr>
<tr>
<td><strong>DEFERRED INFLOWS</strong></td>
<td>-</td>
<td>254</td>
<td>-</td>
<td>254</td>
<td>-</td>
</tr>
<tr>
<td>Deferred Property Taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL DEFERRED INFLOWS</strong></td>
<td>-</td>
<td>254</td>
<td>-</td>
<td>254</td>
<td>-</td>
</tr>
<tr>
<td><strong>LONG-TERM LIABILITIES</strong></td>
<td>19,659,561</td>
<td>19,659,561</td>
<td>19,659,561</td>
<td>19,659,561</td>
<td>19,659,561</td>
</tr>
<tr>
<td>Due to Coordinating District</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued Interest - Coordinating District</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bonds - Series 2019</td>
<td>19,290,000</td>
<td>19,290,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued Interest - Series 2019 Bonds</td>
<td>80,375</td>
<td>80,375</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bond Premium - Series 2019</td>
<td>289,186</td>
<td>289,186</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LONG-TERM LIABILITIES</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LIAB &amp; DEF INFLOWS</strong></td>
<td>52,686</td>
<td>254</td>
<td>63,558</td>
<td>19,659,561</td>
<td>19,776,060</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td>375,864</td>
<td>2,844,453</td>
<td>7,441,177</td>
<td>(14,484,262)</td>
<td>(3,822,767)</td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>5,175,300</td>
<td>5,175,300</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amount to be Provided for Debt</td>
<td>(19,659,561)</td>
<td>(19,659,561)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund Balance - Restricted</td>
<td>6,400</td>
<td>2,844,453</td>
<td>7,441,177</td>
<td>10,292,030</td>
<td>-</td>
</tr>
<tr>
<td>Fund Balance - Non-Spendable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund Balance - Unassigned</td>
<td>369,464</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL NET POSITION</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.
# Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

## PROPERTY TAXES

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 Prelim Actual</th>
<th>2020 Adopted Budget</th>
<th>Variance Positive/ (Negative)</th>
<th>2020 Variance Positive/ (Negative)</th>
<th>YTD Thru 06/30/20 Actual</th>
<th>AATD Thru 06/30/20 Budget</th>
<th>Variance Positive/ (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed Valuation</td>
<td>775,940</td>
<td>2,249,110</td>
<td>-</td>
<td>2,249,110</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mill Levies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authority Mill Levy</td>
<td>5.000</td>
<td>5.000</td>
<td>-</td>
<td>5.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50% of 22.793 County General Fund Property Tax</td>
<td>11.320</td>
<td>11.397</td>
<td>-</td>
<td>11.397</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100% of County Road and Bridge Fund Tax</td>
<td>1.300</td>
<td>1.300</td>
<td>-</td>
<td>1.300</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17.620</td>
<td>17.697</td>
<td>-</td>
<td>17.697</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax Revenue - Authority</td>
<td>$3,880</td>
<td>$11,246</td>
<td>-</td>
<td>$11,246</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax Revenue - County General Tax</td>
<td>$8,784</td>
<td>$25,633</td>
<td>-</td>
<td>$25,633</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax Revenue - Road and Bridge Tax</td>
<td>$1,009</td>
<td>$2,924</td>
<td>-</td>
<td>$2,924</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Property Tax Revenues</strong></td>
<td><strong>$13,672</strong></td>
<td><strong>$39,802</strong></td>
<td>-</td>
<td><strong>$39,802</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## DEVELOPMENT REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Transportation Impact Fee Per SFR-Detached</td>
<td>$612</td>
</tr>
<tr>
<td>Use Tax (35% of Market Value)</td>
<td></td>
</tr>
<tr>
<td>Total City Use Tax Rate</td>
<td>3.75%</td>
</tr>
<tr>
<td>Less: 0.25% Dedicated to Police &amp; Detention</td>
<td>-0.25%</td>
</tr>
<tr>
<td>Net Use Tax to Authority</td>
<td>3.50%</td>
</tr>
<tr>
<td>Estimated Single Family Residential Housing Permits</td>
<td>95</td>
</tr>
<tr>
<td>Estimated Market Value Per SFR</td>
<td>$442,445</td>
</tr>
<tr>
<td>Estimated City Transportation Impact Fee Revenue</td>
<td>$58,140</td>
</tr>
<tr>
<td>Estimated City Use Tax Revenue</td>
<td>$514,895</td>
</tr>
</tbody>
</table>
## General Fund

### Revenues

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>2019 Prelim Actual</th>
<th>2020 Adopted Budget</th>
<th>2020 Variance Positive</th>
<th>2020 Variance Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution - Adams County</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contribution - City of Aurora</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contribution - District</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>11,688</td>
<td>3,500</td>
<td>-</td>
<td>3,500</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>11,688</td>
<td>3,500</td>
<td>-</td>
<td>3,500</td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2019 Prelim Actual</th>
<th>2020 Adopted Budget</th>
<th>2020 Variance Positive</th>
<th>2020 Variance Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td>36,788</td>
<td>40,000</td>
<td>-</td>
<td>40,000</td>
</tr>
<tr>
<td>Legal</td>
<td>91,563</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Management</td>
<td>100,993</td>
<td>75,000</td>
<td>-</td>
<td>75,000</td>
</tr>
<tr>
<td>Financial advisor</td>
<td>44,638</td>
<td>17,100</td>
<td>-</td>
<td>(32,900)</td>
</tr>
<tr>
<td>Audit</td>
<td>5,800</td>
<td>8,100</td>
<td>-</td>
<td>8,100</td>
</tr>
<tr>
<td>BoardPaq fees</td>
<td>2,988</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Board of Directors Meeting Expenses</td>
<td>-</td>
<td>2,400</td>
<td>-</td>
<td>2,400</td>
</tr>
<tr>
<td>Insurance, bonds &amp; SDA dues</td>
<td>2,883</td>
<td>3,100</td>
<td>-</td>
<td>511</td>
</tr>
<tr>
<td>Bank Fees</td>
<td>456</td>
<td>600</td>
<td>-</td>
<td>600</td>
</tr>
<tr>
<td>Website</td>
<td>4,815</td>
<td>100</td>
<td>-</td>
<td>(300)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>500</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>Contingency</td>
<td>-</td>
<td>8,600</td>
<td>-</td>
<td>8,600</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>290,924</td>
<td>180,500</td>
<td>(32,689)</td>
<td>213,189</td>
</tr>
</tbody>
</table>

### Revenues Over / (Under) Expenditures

(279,236) (177,000) (32,689) (209,689) (100,332) (81,650) (18,988)

### Other Sources / (Uses)

<table>
<thead>
<tr>
<th>Other Source</th>
<th>2019 Prelim Actual</th>
<th>2020 Adopted Budget</th>
<th>2020 Variance Positive</th>
<th>2020 Variance Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to / (from) Other Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer In- 1% of Debt Service Fund Revenues</td>
<td>740</td>
<td>6,100</td>
<td>-</td>
<td>6,100</td>
</tr>
<tr>
<td><strong>Total Other Sources / (Uses)</strong></td>
<td>740</td>
<td>6,100</td>
<td>-</td>
<td>6,100</td>
</tr>
</tbody>
</table>

### Change in Fund Balance

(278,496) (170,900) (32,689) (203,589) (99,761) (81,349) (18,412)

### Beginning Fund Balance

754,122 472,500 3,126 475,626 475,626 472,500 3,126

### Ending Fund Balance

475,626 301,600 (29,563) 272,037 375,864 391,151 (15,287)

### Components of Fund Balance

<table>
<thead>
<tr>
<th>Component</th>
<th>2019 Prelim Actual</th>
<th>2020 Adopted Budget</th>
<th>2020 Variance Positive</th>
<th>2020 Variance Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABOR emergency reserve</td>
<td>8,800</td>
<td>5,500</td>
<td>900</td>
<td>6,400</td>
</tr>
<tr>
<td>Non-Spendable</td>
<td>2,026</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>464,800</td>
<td>296,100</td>
<td>(30,463)</td>
<td>265,637</td>
</tr>
<tr>
<td><strong>Total Ending Fund Balance</strong></td>
<td>475,626</td>
<td>301,600</td>
<td>(29,563)</td>
<td>272,037</td>
</tr>
</tbody>
</table>

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.
## DEBT SERVICE FUND

### Revenue
- **Property taxes**
  - 2019: 3,880
  - 2020: 11,246
- **Specific ownership taxes**
  - 2019: 287
  - 2020: 562
- **City of Aurora Use Tax**
  - 2019: 34,798
  - 2020: 514,895
- **City of Aurora Residential Impact Fees**
  - 2019: -
  - 2020: 58,140
- **Adams County General Fund Ppty Tax (50%)**
  - 2019: 8,232
  - 2020: 25,633
- **Adams Co. Road & Bridge Fund Ppty Tax (100%)**
  - 2019: 650
  - 2020: 2,924
- **Interest income**
  - 2019: 26,133
  - 2020: 6,000
- **Other income**
  - 2019: -
  - 2020: -

### Total Revenue
- **2019**: 73,980
- **2020**: 619,400

### Expenditures
- **Treasurer’s fees**
  - 2019: 58
  - 2020: 200
- **Paying agent / trustee fees**
  - 2019: -
  - 2020: 2,000
- **IGA Loan Interest**
  - 2019: 50,417
  - 2020: -
- **IGA Loan Principal**
  - 2019: 1,696,478
  - 2020: -
- **Bond Interest- Series 2019**
  - 2019: 415,271
  - 2020: 964,500
- **Bond Principal- Series 2019**
  - 2019: -
  - 2020: 1,532,580
- **Bond Interest- Series 2020**
  - 2019: -
  - 2020: -
- **Bond Principal- Series 2020**
  - 2019: -
  - 2020: -
- **Bond Issuance Costs**
  - 2019: 615,240
  - 2020: 1,112,500
- **Miscellaneous**
  - 2019: -
  - 2020: -

### Total Expenditures
- **2019**: 2,777,464
- **2020**: 3,611,780

### Revenue Over / (Under) Expenditures
- **2019**: (2,703,484)
- **2020**: (2,992,380)

### Other Sources / (Uses)
- **Bond proceeds**
  - 2019: 19,290,000
  - 2020: 51,086,000
- **Bond Premium**
  - 2019: 298,223
  - 2020: -
- **Transfer (to) / from Other Funds**
  - 2019: (13,625,057)
  - 2020: (44,500,000)
- **Transfer (Out)- 1% of revenues to Gen Fund**
  - 2019: (740)
  - 2020: (6,100)
- **Transfer (to) Capital Fund**
  - 2019: -
  - 2020: -

### Total Other Sources / (Uses)
- **2019**: 5,962,427
- **2020**: 6,579,900

### Change in Fund Balance
- **2019**: 3,258,943
- **2020**: 3,593,120

### Beginning Fund Balance
- **2019**: 3,587,520
- **2020**: (570)

### Ending Fund Balance
- **2019**: 6,852,063
- **2020**: 2,827,590

### Components of Fund Balance
- **Debt Services Reserve Fund**
  - 2019: 1,266,038
  - 2020: 1,263,101
- **Capitalized Interest Fund**
  - 2019: 1,945,856
  - 2020: 4,916,798
- **Bond Issuance Costs Fund**
  - 2019: -
  - 2020: -
- **Bond Surplus/Payment Fund**
  - 2019: 47,049
  - 2020: 684,802

### Total Fund Balance
- **2019**: 3,258,943
- **2020**: 6,852,063

---

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## Budget

### Forecast

<table>
<thead>
<tr>
<th>2020</th>
<th>Variance</th>
<th>2020</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prelim</td>
<td>Adopted</td>
<td>Positive</td>
<td>(Negative)</td>
</tr>
<tr>
<td>06/30/20</td>
<td>06/30/20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### REVENUE

| Interest income | 93,663 | 50,000 | 25,000 | 75,000 | 37,577 | 25,000 | 12,577 |
| Other income | - | - | - | - | - | - | - |
| **TOTAL REVENUE** | 93,663 | 50,000 | 25,000 | 75,000 | 37,577 | 25,000 | 12,577 |

### EXPENDITURES

#### Capital Outlay (Per Phasing Plan)

| A-48th Ave- E470 to Gun Club | - | - | - | - | - | - | - |
| B-48th Ave- Gun Club to Harvest | - | - | - | - | - | - | - |
| C-48th Ave- Harvest to Powhaton | - | - | - | - | - | - | - |
| D-38th Ave- Himalaya to E470 North Lanes | 317,567 | 7,985,201 | - | 7,985,201 | 74,398 | 100,000 | 25,602 |
| E-38th Ave- Himalaya to E470 South Lanes | 320,259 | 7,985,201 | - | 7,985,201 | 74,398 | 100,000 | 25,602 |
| F- TAH Parkway- E470 to Main Street | (38,133) | 3,416,394 | - | 3,416,394 | 545,766 | 500,000 | (45,766) |
| G- TAH Parkway- Main Street to Aura Blvd | 383,023 | 2,524,369 | - | 2,524,369 | 212,857 | 900,000 | 687,143 |
| H- TAH Parkway- Aura Blvd to Powhaton | - | - | - | - | - | - | - |
| I- 26th Ave- E470 to Main Street | 50,445 | 811,083 | - | 811,083 | 619,575 | 725,000 | 105,425 |
| J- 26th Ave- Main Street to Harvest | - | - | - | - | - | - | - |
| K- 26th Ave- Harvest to Powhaton | - | - | - | - | - | - | - |
| L- Powhaton- I-70 to 26th | - | - | - | - | - | - | - |
| M- Powhaton- 26th to 48th | - | - | - | - | - | - | - |
| N- Powhaton- 48th to 56th | - | - | - | - | - | - | - |
| O- E470/38th Interchange | 2,781,880 | 23,218,770 | - | 23,218,770 | 986,599 | 1,125,000 | 138,401 |
| P- HM/PR/I-70 Interchange | 642,531 | 2,241,293 | - | 2,241,293 | 170,327 | 600,000 | 429,673 |
| Q- Powhaton/I-70 Interchange | 166,494 | 5,774,764 | - | 5,774,764 | 133,978 | 200,000 | 66,022 |
| R- Picadilly Interchange | - | - | - | - | - | - | - |
| Capital To Be Certified | - | - | - | - | - | - | - |
| Capital - Administrative | 16,161 | 72,000 | - | 72,000 | 18,400 | 36,000 | 17,600 |
| Miscellaneous | - | - | - | - | - | - | - |
| **TOTAL EXPENDITURES** | 4,640,226 | 54,029,074 | - | 54,029,074 | 2,836,298 | 4,286,000 | 1,449,702 |

### REVENUE OVER / (UNDER) EXPENDITURES

| (4,546,563) | (53,979,074) | 25,000 | (53,954,074) | (2,798,721) | (4,261,000) | 1,462,279 |

### OTHER SOURCES / (USES)

| Loan Proceeds | 1,161,404 | - | - | - | - | - |
| Transfers (to)/from Debt Fund | 13,625,057 | 44,500,000 | - | 44,500,000 | - | - |
| **TOTAL OTHER SOURCES / (USES)** | 14,786,461 | 44,500,000 | - | 44,500,000 | - | - |

### CHANGE IN FUND BALANCE

| 10,239,898 | (9,479,074) | 25,000 | (9,454,074) | (2,798,721) | (4,261,000) | 1,462,279 |

### BEGINNING FUND BALANCE

| - | 9,715,600 | 524,298 | 10,239,898 | 10,239,898 | 9,715,600 | 524,298 |

### ENDING FUND BALANCE

| 10,239,898 | 236,526 | 549,298 | 785,824 | 7,441,177 | 5,454,600 | 1,986,577 |
Aerotropolis Regional Transportation Authority

Financial Statements
December 31, 2019
Aerotropolis Regional Transportation Authority
Financial Statements
December 31, 2019

Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITOR'S REPORT</td>
<td>A1 – A2</td>
</tr>
<tr>
<td>Management's Discussion and Analysis</td>
<td>B1 – B4</td>
</tr>
<tr>
<td>Government-wide Financial Statements:</td>
<td></td>
</tr>
<tr>
<td>Balance Sheet/Statement of Net Position</td>
<td>C1</td>
</tr>
<tr>
<td>Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities</td>
<td>C2</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>D1 - D17</td>
</tr>
<tr>
<td>Required Supplementary Information:</td>
<td></td>
</tr>
<tr>
<td>Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund</td>
<td>E1</td>
</tr>
<tr>
<td>Supplementary Information:</td>
<td></td>
</tr>
<tr>
<td>Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:</td>
<td></td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>F1</td>
</tr>
<tr>
<td>Capital Projects Fund</td>
<td>F2</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Aerotropolis Regional Transportation Authority

We have audited the accompanying financial statements of the governmental activities and each fund of the Aerotropolis Regional Transportation Authority (the “Authority”), as of and for the year ended December 31, 2019, which collectively comprise the Authority’s basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management’s Responsibility 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.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 fund of the Aerotropolis Regional Transportation Authority as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

Paul J. Backes, CPA, CGMA
Michael N. Jenkins, CA, CPA, CGMA
Daniel R. Cudahy, CPA, CGMA

Avon: (970) 845-8800
Aspen: (970) 544-3996
Frisco: (970) 668-3481
Other Matters

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the Management’s Discussion and Analysis in Section B in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary schedule for the General Fund in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s financial statements as a whole. The budgetary schedules found in Section F are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.
July 23, 2020
MANAGEMENT’S DISCUSSION & ANALYSIS
Aerotropolis Regional Transportation Authority
Management’s Discussion and Analysis
December 31, 2019

As management of Aerotropolis Regional Transportation Authority (“ARTA or “Authority”), we offer readers of the Authority’s annual audited financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2019.

Overview of the Financial Statements
This discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements. The Authority’s basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

Government-wide financial statements:
The government-wide financial statements are designed to provide readers with a broad overview of the Authority’s finances, in a manner similar to a private-sector business. Normally, the government-wide financial statements present a current year to prior year comparison to help users evaluate the results of the Authority over the past two years.

The Statement of Net Position presents information on all of the Authority’s assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Activities presents information showing how the Authority’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements:
A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority utilized three governmental funds for 2019; the General Fund, Debt Service Fund, and Capital Projects Fund.

Governmental funds:
Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions.

The combined government-wide and fund financial statements are on pages C1 and C2 of this report. A reconciliation to facilitate a comparison between governmental funds and governmental activities is shown in Note II of the Notes to the Financial Statements on page D6 of this report.
The Authority adopts an annual appropriated budget for each of its governmental funds. Budgetary comparisons for the General Fund is provided on page E1, for the Debt Service Fund on page F1 and for the Capital Fund on page F2.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page D1 of this report.


Aerotropolis Regional Transportation Authority
Net Position

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 187,508</td>
<td>1,602</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>13,022,475</td>
<td>804,137</td>
<td></td>
</tr>
<tr>
<td>Property tax receivable</td>
<td>11,246</td>
<td>3,880</td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td>1,259,026</td>
<td>218</td>
<td></td>
</tr>
<tr>
<td>Capital assets, net of accumulated depreciation</td>
<td>5,175,300</td>
<td>535,074</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>19,655,555</td>
<td>1,344,911</td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>96,026</td>
<td>57,534</td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td>20,058,077</td>
<td>535,074</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>20,154,103</td>
<td>592,608</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred Inflows of Resources:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred property tax revenue</td>
<td>11,246</td>
<td>3,880</td>
<td></td>
</tr>
<tr>
<td><strong>Total Deferred Inflows of Resources</strong></td>
<td>11,246</td>
<td>3,880</td>
<td></td>
</tr>
<tr>
<td><strong>Net Position:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>13,507,569</td>
<td>31,624</td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(14,017,363)</td>
<td>716,799</td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$ (509,794)</td>
<td>748,423</td>
<td></td>
</tr>
</tbody>
</table>

At the end of the current fiscal year, the Authority has a negative net position which results from the liability for long-term debt related to the Special Revenue Bonds, Series 2019.
The change in net position for the years ended December 31, 2019 and December 31, 2018 is summarized in the following table:

**Aerotropolis Regional Transportation Authority**

**Change in Net Position**

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$12,762</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other taxes</td>
<td>35,085</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Member contributions</td>
<td></td>
<td>-</td>
<td>1,050,000</td>
</tr>
<tr>
<td>Net investment income</td>
<td>131,485</td>
<td>4,137</td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td></td>
<td>179,332</td>
<td>1,054,137</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>290,982</td>
<td>300,015</td>
<td></td>
</tr>
<tr>
<td>Debt service interest</td>
<td>531,327</td>
<td>5,699</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>822,309</td>
<td>305,714</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond issuance cost</td>
<td>(615,240)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td></td>
<td>(615,240)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td></td>
<td>(1,258,217)</td>
<td>748,423</td>
</tr>
<tr>
<td><strong>Net Position - Beginning</strong></td>
<td></td>
<td>748,423</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Position - Ending</strong></td>
<td></td>
<td>$ (509,794)</td>
<td>748,423</td>
</tr>
</tbody>
</table>

The Authority has a negative net position because of cost of debt issuance expenditures made in 2019.

**Financial Analysis of the Authority’s Funds**

As mentioned earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the Authority’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority’s financing requirements. In particular, the unrestricted fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

General Fund expenditures were $290,924 compared with $300,015 in 2018. Expenditures are comprised primarily of professional fees for management, accounting, and legal services. These costs were funded primarily by the member contributions made in 2018.

Debt Service Fund expenditures were $16,403,261 and were comprised primarily of the repayment of advances from the Aerotropolis Area Coordinating Metropolitan District (“AACMD”) in the amount of $2,162,166, cost of bond issuance expenses of $615,240 and the transfer to the Capital Fund of $13,625,057. Expenditures were funded by proceeds from the Special Revenue Bonds, Series 2019, issued in June of 2019.
Capital Fund expenditures were $4,640,226 compared to $535,074 in 2018. Expenditures are for the design and construction of ARTA Phase 1 Improvements. These costs were funded with bond proceeds from the Special Revenue Bonds, Series 2019, issued in June 2019.

As of the end of 2019, the Authority’s governmental funds reported an ending fund balance of $13,974,467 comprised primarily of $10,239,898 of capital projects funds remaining to fund construction of Phase 1 Improvements and $3,258,943 restricted for future debt service expenditures.

**Budget variances:** The General Fund ending fund balance finished the year $97,555 ahead of budget. Expenditures were less than budget primarily because of fewer periodic meetings that resulted in reduced expenditures for consultants. A budget to actual schedule for the General Fund can be found on page E1 of this report.

The Debt Service Fund ending fund balance finished the year $629,023 less than budgeted. The negative variance is attributable to significantly less revenue than budgeted. Revenue was less than budgeted because building permits issued were less than anticipated resulting in less than budgeted use tax and impact fee revenue. A budget to actual schedule for the Debt Service Fund can be found as part of the supplementary information on page F1 of this report.

The Capital Projects Fund ending fund balance finished the year $10,239,898 greater than budgeted as capital expenditures were significantly less than was budgeted. A budget to actual schedule for the Capital Fund can be found as part of the supplementary information on page F2 of this report.

**Capital assets:** The Authority’s total net capital assets were $5,175,300 at the end of 2019. This amount represents total capital expenditures for Phase 1 Improvements. There was no depreciation expense as the assets are not yet placed in service and are therefore considered construction in progress. Additional information as well as a detailed classification of the Authority’s net capital assets can be found in the Notes to the Financial Statements on page D12 of this report.

**Long-term debt:** During 2019 the Authority issued Special Revenue Bonds, Series 2019, in the amount of $19,290,000. Bond proceeds were used to repay advances from AACMD, pay issuance costs, fund interest reserves, and fund Phase 1 Improvement Costs. Additional information of the Authority’s long-term debt can be found in the Notes to the Financial Statements beginning on page D12 of this report.

**Request for Information:** This financial report is designed to provide a general overview of the Authority’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Aerotropolis Regional Transportation Authority, c/o Marchetti & Weaver, LLC, 245 Century Circle, Suite 103, Louisville, CO 80027, (720) 210-9137.
FINANCIAL STATEMENTS
## Statement of Net Position

**December 31, 2019**

### Balance Sheet

<table>
<thead>
<tr>
<th>Assets:</th>
<th>General Fund</th>
<th>Debt Service Fund</th>
<th>Capital Projects Fund</th>
<th>Total</th>
<th>Adjustments</th>
<th>Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>187,484</td>
<td>24</td>
<td>-</td>
<td>187,508</td>
<td>-</td>
<td>187,508</td>
</tr>
<tr>
<td>Investments</td>
<td>301,767</td>
<td>2,001,919</td>
<td>10,718,789</td>
<td>13,022,475</td>
<td>-</td>
<td>13,022,475</td>
</tr>
<tr>
<td>Restricted investments</td>
<td>-</td>
<td>1,257,000</td>
<td>-</td>
<td>1,257,000</td>
<td>-</td>
<td>1,257,000</td>
</tr>
<tr>
<td>Property tax receivable</td>
<td>-</td>
<td>11,246</td>
<td>-</td>
<td>11,246</td>
<td>-</td>
<td>11,246</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>2,026</td>
<td>-</td>
<td>-</td>
<td>2,026</td>
<td>-</td>
<td>2,026</td>
</tr>
<tr>
<td>Capital assets, net of accumulated depreciation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,175,300</td>
<td>5,175,300</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>491,277</td>
<td>3,270,189</td>
<td>10,718,789</td>
<td>14,480,255</td>
<td>5,175,300</td>
<td>19,655,555</td>
</tr>
</tbody>
</table>

| Liabilities: | - | - | - | - | 80,375 | 80,375 |
| Accounts payable | 15,651 | - | - | 15,651 | - | 15,651 |
| Advanced funding payable - AACMD | - | - | 478,891 | 478,891 | - | 478,891 |
| Bonds payable: | - | - | - | - | 19,579,186 | 19,579,186 |
| Due in more than one year | - | - | - | - | 19,659,561 | 20,154,103 |
| **Total Liabilities** | 15,651 | - | 478,891 | 494,542 | 19,659,561 | 20,154,103 |

| Deferred Inflows of Resources: | - | 11,246 | - | 11,246 | - | 11,246 |
| Deferred tax revenues | - | 11,246 | - | 11,246 | - | 11,246 |
| **Total Deferred Inflows of Resources** | - | 11,246 | - | 11,246 | - | 11,246 |

| Fund Balance/Net Position: | - | - | - | - | - | - |
| Fund Balance: | - | - | - | - | - | - |
| Nonspendable | 2,026 | - | - | 2,026 | (2,026) | - |
| Restricted for emergency | 8,728 | - | - | 8,728 | (8,728) | - |
| Restricted for debt service | - | 3,258,943 | - | 3,258,943 | (3,258,943) | - |
| Restricted for capital projects | - | - | 10,239,898 | 10,239,898 | (10,239,898) | - |
| Assigned for 2020 budgeted deficit | 170,900 | - | - | 170,900 | (170,900) | - |
| Unassigned | 293,972 | - | - | 293,972 | (293,972) | - |
| **Total Fund Balance** | 475,626 | 3,258,943 | 10,239,898 | 13,974,467 | (13,974,467) | - |

| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | - | - | - | - | - | - |
| - | - | - | - | - | - |

| Net Position: | - | - | - | - | - | - |
| Restricted for emergency | 8,728 | 8,728 |
| Restricted for debt service | 3,258,943 | 3,258,943 |
| Restricted for capital projects | 10,239,898 | 10,239,898 |
| Unrestricted | (14,017,363) | (14,017,363) |
| **Total Net Position** | (509,794) | (509,794) |

The accompanying notes are an integral part of these financial statements.
Aerotropolis Regional Transportation Authority

Statement of Revenues, Expenditures and Changes in Fund Balance/
Statement of Activities
For the Year Ended December 31, 2019

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>General Fund</th>
<th>Service Fund</th>
<th>Projects Fund</th>
<th>Total</th>
<th>Adjustments</th>
<th>Statement of Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property tax</td>
<td>-</td>
<td>3,880</td>
<td>-</td>
<td>3,880</td>
<td>-</td>
<td>3,880</td>
</tr>
<tr>
<td>Specific ownership tax</td>
<td>-</td>
<td>287</td>
<td>-</td>
<td>287</td>
<td>-</td>
<td>287</td>
</tr>
<tr>
<td>Adams County property taxes</td>
<td>-</td>
<td>8,882</td>
<td>-</td>
<td>8,882</td>
<td>-</td>
<td>8,882</td>
</tr>
<tr>
<td>City of Aurora use tax</td>
<td>-</td>
<td>34,798</td>
<td>-</td>
<td>34,798</td>
<td>-</td>
<td>34,798</td>
</tr>
<tr>
<td>Net investment income</td>
<td>11,688</td>
<td>26,134</td>
<td>93,663</td>
<td>131,485</td>
<td>-</td>
<td>131,485</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>11,688</td>
<td>73,981</td>
<td>93,663</td>
<td>179,332</td>
<td>-</td>
<td>179,332</td>
</tr>
</tbody>
</table>

| Expenditures/Expenses:            |              |              |               |       |             |                         |
| Accounting and audit              | 42,588       | -            | -             | 42,588| -           | 42,588                  |
| Legal                             | 91,563       | -            | -             | 91,563| -           | 91,563                  |
| Authority management              | 100,993      | -            | -             | 100,993| -          | 100,993                 |
| Financial advisor                 | 44,638       | -            | -             | 44,638| -           | 44,638                  |
| Subscriptions and dues            | 3,767        | -            | -             | 3,767 | -           | 3,767                   |
| Insurance                         | 2,104        | -            | -             | 2,104 | -           | 2,104                   |
| Website                           | 4,815        | -            | -             | 4,815 | -           | 4,815                   |
| Miscellaneous                     | 456          | 58           | -             | 514   | -           | 514                     |
| Debt service                      |              |              |               |       |             |                         |
| Principal                         | -            | 1,696,478    | -             | 1,696,478| (1,696,478)| -                       |
| Interest and fiscal changes       | -            | 465,688      | -             | 465,688| 65,639      | 531,327                 |
| Capital outlay                    | -            | -            | 4,640,226     | 4,640,226| (4,640,226)| -                       |
| **Total Expenditures/Expenses**   | 290,924      | 2,162,224    | 4,640,226     | 7,093,374| (6,271,065)| 822,309                 |

| Other Financing Sources:          |              |              |               |       |             |                         |
| Proceeds from advanced funding - AACMD | -       | -            | 1,161,404     | 1,161,404| (1,161,404)| -                       |
| Bond proceeds                     | -            | 19,588,223   | -             | 19,588,223| (19,588,223)| -                       |
| Bond issuance costs               | -            | (615,240)    | -             | (615,240)| -          | (615,240)               |
| Transfers in (out)                | 740          | (13,625,797) | 13,625,057    | -     | -          | -                       |
| **Total Other Financing Sources** | 740          | 5,347,186    | 14,786,461    | 20,134,387| (20,749,627)| (615,240)               |

| Excess (Deficiency) of Revenues   | (278,496)    | 3,258,943    | 10,239,898    | 13,220,345| (13,220,345)| (1,258,217)             |
| Change in Net Position            |              |              |               |       |             | (1,258,217)             |

| Fund Balance/Net Position:        |              |              |               |       |             |                         |
| Beginning                        | 754,122      | -            | -             | 754,122| -           | 748,423                 |
| Ending                           | 475,626      | 3,258,943    | 10,239,898    | 13,974,467| (509,794)  |                         |

The accompanying notes are an integral part of these financial statements.
NOTES TO THE FINANCIAL STATEMENTS
I. Summary of Significant Accounting Policies

The Aerotropolis Regional Transportation Authority (the “Authority” or “ARTA”) was formed by an intergovernmental agreement (the “Establishing IGA”) between the County of Adams (the “County”), the City of Aurora (the “City”), and Aerotropolis Area Coordinating Metropolitan District (the “District” or “AACMD”) on February 27, 2018. The ARTA encompasses roughly 3,000 acres south of Denver International Airport. The purpose of the Authority is to construct, or cause to have constructed, a regional transportation system within or outside the boundaries of the Authority for the primary benefit of those residing or owning property within the boundaries through the issuance of bonds. The Authority will oversee the budget and phasing plans for critical regional transportation infrastructure and finance regional transportation improvements needed to improve access across Aurora and Adams County, including additional connections from Interstate 70 to Denver International Airport, new interchanges on E-470, as well as extensions of several critical arteries throughout the boundaries of the Authority.

The City was covenanted to impose, collect and remit to the Authority all of the City use tax on construction materials, less the 0.25% use tax dedicated to increase staffing of the City’s police department and operation and maintenance of the City’s detention facility. Additionally, the City has pledged all of the proceeds from the City Transportation Impact Fee for Residential Development to the Authority at the rate in effect at the time of payment.

The County has pledged half of the County General Fund Property Tax and all of the County Road and Bridge Fund Tax to the Authority.

The District was covenanted to impose, collect and remit all of a 5.00 mill levy on all taxable real property through the District’s imposition of the Aurora Regional Mill Levy, provided that if such Regional Mill Levy is not imposed, the Authority will levy up to 5.00 mills in its place.

The funding sources described above only apply to those derived from within the Authority’s boundaries and are subject to annual appropriation. The Authority shall not use more than one percent of its gross revenues from these funding sources to cover administrative and maintenance expenses. The funding sources are further clarified by Intergovernmental Agreements with each member jurisdiction dated in fiscal year 2019.

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

The intergovernmental agreement establishing the Authority will terminate ninety days following the completion of the regional transportation system; provided however, that the agreement may not be terminated so long as the Authority has any bonds or other obligations outstanding. Upon termination, any real property interest or fixtures to real property will become the property of the member in whose jurisdiction such property is located. If property is located within multiple jurisdictions, the property will become the property of the City. Any funds remaining after the payment of bonds will be returned to the members in proportion to their respective contributions.

The financial statements of the Authority have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.
I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity

The Board of Directors consists of the five directors from the three voting member jurisdictions: two directors from the Governing Body of the County, two directors from the Governing Body of the City and one director from the District. The Board is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The reporting entity consists of (a) the primary government (i.e., the Authority), and (b) organizations for which the Authority is financially accountable or the organization's primary purpose is to benefit the Authority. The Authority is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Authority. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Authority. Organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The Authority is not financially accountable for any entity based on the above criteria nor is the Authority a component unit of any other entity.

B. Government-wide and Fund Financial Statements

The Authority's basic financial statements include both government-wide (reporting the Authority as a whole) and fund financial statements (reporting the Authority's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, the Authority performs only governmental activities.

1. Government-wide Financial Statements

In the Statement of Net Position, the Authority's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Authority's net position are reported in two parts - restricted; and unrestricted net position.

The focus of the Statement of Net Position and the Statement of Activities is on the sustainability of the Authority as an entity and the change in the Authority's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the Authority are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance. The Authority reports the following governmental funds:
I. Summary of Significant Accounting Policies (continued)

2. Fund Financial Statements (continued)

The General Fund is the Authority’s primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

The Debt Service Fund accounts for taxes and other revenues restricted for debt payment on general obligation bonds.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter (within 60 days of December 31) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The Authority’s investment policy is detailed in note IV.A.
I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance for uncollectible accounts has been established, as the Authority considers all accounts to be collectible.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

4. Capital Assets

Capital assets, which includes design and initial construction of the regional transportation system as described in the Establishing IGA, are reported in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial cost of $5,000 or more and an estimated useful life of at least three years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

As of the year ended December 31, 2019, all capital assets were considered construction in progress and will be depreciated upon completion.

5. Deferred Inflows of Resources

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

6. Fund Balance

The Authority classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.
I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Fund Balance (continued)

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Authority uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Authority first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Authority does not have a formal minimum fund balance policy. However, the Authority’s budget includes a calculation of a targeted reserve positions and management reports the target amounts annually to Board of Directors.

7. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.
II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet and the government-wide Statement of Net Position includes a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets $ 5,175,300
- Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Bonds payable - due in more than 1 year $ 19,290,000
  Unamortized bond premium 289,186
  Accrued interest payable 80,375

B. Explanation of differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The adjustment of $4,640,226 is purchases of capital assets.

Capital outlay $ (4,640,226)

The issuance of long-term debt (e.g., notes, 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 position.

Debt service - principal $ (1,696,478)
Debt service - interest 74,676
Debt service - premium amortization (9,037)
Proceeds from advanced funding - AACMD (1,161,404)
Bond proceeds - par (19,290,000)
Bond proceeds - premium (298,223)
Total adjustment $ (22,380,466)
III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the Authority’s Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds and the fiduciary fund are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

(1) After a required publication of “Notice of Proposed Budget” and a public hearing, the Authority adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.

(2) After adoption of the budget resolution, the Authority may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (c) emergency appropriations; and (d) reduction of appropriations for which originally estimated revenues are insufficient.

(3) All appropriations lapse at a year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Authority because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer’s Bill of Rights (“TABOR”). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increases, a mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

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III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years. TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Authority has reserved a portion of its December 31, 2019, year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of $8,728 which is the approximate required reserve at December 31, 2019.

The initial base for local government spending and revenue limits is December 31, 1992, fiscal year spending. Future spending and revenue limits are determined based on the prior year’s fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

On November 7, 2017, a majority of the Authority’s electors who voted in the election approved the following TABOR related ballot questions:

Ballot Question A - “Shall Aerotropolis Regional Transportation Authority taxes be increased $500,000 in fiscal year 2019 and by whatever amounts are raised in each subsequent fiscal year, by the imposition of ad valorem property taxes levied in any year at a rate not to exceed five (5) mills and without limitation as to amount or any other condition, for the purposes of such Authority, and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the Authority in fiscal year 2019 and each fiscal year thereafter as a voter-approved revenue change and an exception to any spending, revenue-raising or other limitation under the constitution and laws of Colorado now or hereafter in effect, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the Authority?”

Ballot Question B – “Shall Aerotropolis Regional Transportation Authority taxes be increased $500,000 in fiscal year 2018 and by whatever amounts are raised in each subsequent fiscal year, by the imposition of a sales tax at the rate of 1.00% in the manner authorized by the Regional Transportation Authority law, part 6 of Article 4, Title 43, Colorado Revised Statutes, for the purposes of such Authority, and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the Authority in fiscal year 2018 and each fiscal year thereafter as a voter-approved revenue change and an exception to any spending, revenue-raising or other limitation under the constitution and laws of Colorado now or hereafter in effect, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the Authority?”
III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

Ballot Question C – “Shall the Aerotropolis Regional Transportation Authority be authorized to collect, retain, and spend the full amount of all taxes, fees, charges, grants, intergovernmental payments or other revenues, from whatever source derived, during fiscal year 2018 and each fiscal year thereafter, such amounts to constitute a voter-approved revenue change and an exception to any spending, revenue-raising or other limitation under the constitution or laws of the State of Colorado now or hereafter in effect, and without limiting in any year the amount of other revenue that may be collected, retained and spent by the Authority?”

Ballot Question D – “Shall Aerotropolis Regional Transportation Authority debt be increased $600,000,000 with a repayment cost of $1,800,000,000 or such lesser amount as may be necessary, by the issuance of revenue bonds or other obligations of the Authority, which bonds or other obligations may be refunded in whole or in part at rates equal to, lower or higher than the interest rate on the refunded obligations, all for the purpose of defraying the costs of designing, acquiring, constructing, relocating, installing, completing and otherwise providing regional transportation improvements and appurtenant facilities, equipment, land and easements and extensions and improvements to such facilities, such debt to bear interest at a maximum net effective interest rate not to exceed 9.00% per annum, such interest to be payable at such time or times, and which may be compounded annually or semiannually, and such debt to mature, be subject to redemption with or without premium and be issued and sold at, above or below par, such debt to be issued at one time or from time to time and to be secured and paid from such funds and revenues of the Authority as Authorized by the Intergovernmental Agreement pursuant to which the Authority is organized, and shall the proceeds of any such debt, and revenue to pay such debt, and investment earnings thereon be collected, kept and spent by the Authority as a voter-approved revenue change and an exception to any spending, revenue-raising or other limitation under the constitution or laws of the State of Colorado now or hereafter in effect, and without limiting in any year the amount of other revenues that may be collected, retained and spent by the Authority?”

Ballot Question E – “Shall the Aerotropolis Regional Transportation Authority be formed by Intergovernmental Agreement among the City of Aurora, Adams County and the Aerotropolis Area Coordinating Metropolitan District, for the purpose of providing regional transportation improvements within the area generally bounded by East 56th Avenue on the north, Powhaton Road on the east, Interstate 70 on the south, and the E-470 Highway on the west, as such area may be increased or reduced?”

The Authority’s management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.
Aerotropolis Regional Transportation Authority
Notes to the Financial Statements
December 31, 2019
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

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. The 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 equal to the aggregate uninsured deposits.

The State Regulatory Commissions 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.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the Authority, may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

A summary of cash deposits and investments is as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Rating</th>
<th>Carrying Amount</th>
<th>Less Than One Year</th>
<th>Less Than Five Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Checking</td>
<td></td>
<td>$ 187,484</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colotrust</td>
<td>AAAm</td>
<td>332,632</td>
<td>332,632</td>
<td>-</td>
</tr>
<tr>
<td>BOK Financial - Money market</td>
<td>BBB+</td>
<td>798,600</td>
<td>798,600</td>
<td>-</td>
</tr>
<tr>
<td>BOK Financial - Treasuries</td>
<td>BBB+</td>
<td>13,148,243</td>
<td>13,148,243</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 14,466,959</td>
</tr>
</tbody>
</table>

The Authority had invested $332,632 in the Colotrust, which is a 2a7like pool. The fair value of the pool is determined by the pool’s net asset value. The Authority has no regulatory oversight for the pool. At December 31, 2019, the Authority’s investments in Colotrust were 2.3% of the Authority’s investment portfolio.
IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

*Fair Value of Investments* The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- **Level 1**: Quoted prices for identical investments in active markets;
- **Level 2**: Observable inputs other than quoted market prices; and,
- **Level 3**: Unobservable inputs.

At December 31, 2019 the Authority had the following recurring measurements:

<table>
<thead>
<tr>
<th>Investments Measured at Fair Value</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOK Financial - Money market</td>
<td>$ 798,600</td>
<td>-</td>
<td>798,600</td>
<td>-</td>
</tr>
<tr>
<td>BOK Financial - U.S. Treasuries</td>
<td>13,148,243</td>
<td>-</td>
<td>13,148,243</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 13,946,843</strong></td>
<td><strong>-</strong></td>
<td><strong>13,946,843</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments Measured at Net Asset Value</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Colotrust</td>
<td>332,632</td>
<td>332,632</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>$ 14,279,475</strong></td>
<td></td>
</tr>
</tbody>
</table>

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments in level 2 are valued using the following approaches:

- Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities’ relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.
IV. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

<table>
<thead>
<tr>
<th>Capital Assets</th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction in progress:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38th Avenue</td>
<td>$2,692</td>
<td>637,826</td>
<td>-</td>
<td>640,518</td>
</tr>
<tr>
<td>The Aurora Highlands Parkway</td>
<td>136,094</td>
<td>344,890</td>
<td>-</td>
<td>480,984</td>
</tr>
<tr>
<td>26th Avenue</td>
<td>16,425</td>
<td>50,445</td>
<td>-</td>
<td>66,870</td>
</tr>
<tr>
<td>E-470 Full/Interim Interchange</td>
<td>215,860</td>
<td>2,781,880</td>
<td>-</td>
<td>2,997,740</td>
</tr>
<tr>
<td>I-70 Interchange</td>
<td>114,802</td>
<td>576,930</td>
<td>-</td>
<td>691,732</td>
</tr>
<tr>
<td>Powhaton Interim Connection</td>
<td>49,201</td>
<td>232,095</td>
<td>-</td>
<td>281,296</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>-</td>
<td>16,160</td>
<td>-</td>
<td>16,160</td>
</tr>
<tr>
<td>Total construction in progress</td>
<td>535,074</td>
<td>4,640,226</td>
<td>-</td>
<td>5,175,300</td>
</tr>
<tr>
<td>Total capital assets, not being depreciated</td>
<td>535,074</td>
<td>4,640,226</td>
<td>-</td>
<td>5,175,300</td>
</tr>
<tr>
<td>Total Capital Assets</td>
<td>$535,074</td>
<td>4,640,226</td>
<td>-</td>
<td>5,175,300</td>
</tr>
</tbody>
</table>

C. Long-term Obligations

1. Advanced Funding – AACMD

On August 23, 2018, the Authority entered into an intergovernmental agreement with AACMD to fund the initial design of ARTA Phase I Improvements. AACMD has established a project budget in an amount not to exceed $750,000 (the "initial funding advances") that was anticipated to be incurred in a ninety day period which began on the effective day of the agreement. Certain adjacent improvements were designed together with the Phase I Improvements as such adjacent improvements are an integrated part of the roads included in the Phase I Improvements. AACMD coordinated, administered and oversaw the preparation of budgets, timetables and other documents pertaining to the initial design and the funding of the initial design. AACMD engaged engineers, surveyors and other consultants as required for the initial design (the "service providers"). The initial design costs and adjacent improvements initial design costs were subject to verification by a third-party engineer retained by AACDM (see Note V.B.2). In no event were the verified costs to be paid by ARTA include the Adjacent Improvements Initial Design Costs. Interest accrues from the date of deposit of funds in the AACMD bank account for payment to each of the service providers and will compound annually at a rate of nine percent (9%) per annum until paid. No payment will be requested of ARTA until ARTA issues bonds in an amount sufficient to reimburse AACMD for all the verified costs plus interest.
IV. Detailed Notes on All Funds (continued)

C. Long-term Obligations (continued)

1. Advanced Funding – AACMD (continued)

On January 15, 2019, the Authority entered into an amended and restated intergovernmental agreement with AACMD to obtain additional funding for the initial design of ARTA Phase I Improvements. AACMD will continue to fund the Phase I Improvements anticipated to be incurred through June 30, 2019, which amount is anticipated to be $5,885,000 (the “interim Phase I funding”). Total advances from AACMD, including the initial funding advances, shall not exceed $6,635,000. The interim Phase I funding, excluding the initial funding advances, will be paid by AACMD to service providers for services rendered on a time schedule reasonably determined by AACMD pursuant to its contracts with service providers. Interest to be paid by ARTA will commence and accrue separately on each payment made to service providers, commencing on the date the AACMD Board of Directors approves the payment, and will compound interest annually at the rate of nine percent (9%) per annum until paid.

The cumulative balance of the initial funding advances and the interim Phase I funding as of June 30, 2019 of $1,696,478, plus interest of $50,417 was reimbursed to AACMD by ARTA on July 1, 2019. Since July 1, 2019, the Authority reimbursed AACMD for monthly Phase I draws which AACMD paid on the Authority’s behalf.

At December 31, 2019, the Authority owed AACMD $478,891.

2. Special Revenue Bonds, Series 2019

On June 26, 2019, the Authority issued $19,290,000 of General Obligation Limited Tax and Special Revenue Bonds, Series 2019, to fund the construction of the regional transportation system. The bonds accrue interest at 5% annually and mature on December 1, 2051.

The Series 2019 Bonds are payable solely from and to the extent of the Pledged Revenue (as defined in the Indenture), which is generally, the gross revenue minus the 1% allocated for the operations and maintenance of ARTA and any other legally available moneys which the Authority determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue, including without limitation, the capitalized interest deposited into the Bond Fund with the initial proceeds of the Bonds.

Capitalized interest equal to $2,334,271 is required to be deposited into a Bond Fund exclusively to pay interest on the Bonds through December 1, 2021. At December 31, 2019, the Capitalized Interest Fund had a balance of $1,945,856.

A Reserve Fund equal to the lesser of (1) 10% of bond proceeds, (2) the maximum annual debt service on the bonds outstanding, or (3) 125% of the average annual debt service on the bonds outstanding is required to be maintained by the Trustee in accordance with the provisions of the Indenture for so long as any bond is outstanding. This required reserve is recalculated by the Trustee on each interest payment date and upon issuance of any additional reserve fund bonds. At December 31, 2019, the Reserve Fund had a balance of $1,266,038 of which $1,257,000 was restricted.
IV. Detailed Notes on All Funds (continued)

C. Long-term Obligations (continued)

2. Special Revenue Bonds, Series 2019 (continued)

The Indenture requires excess Pledged Revenues, if any, to be deposited into the Surplus Fund until amounts on deposit equal 50% of maximum annual debt service on all outstanding parity debt. Excess pledged revenues, if any, after the payment of debt service, replenishing the Reserve Fund, and funding the Surplus Fund are required to be deposited into the Capital Fund.

The Bonds are subject to redemption prior to maturity, at the option of the Authority, as a whole or in integral multiples of $5,000, in any order of maturity and in whole or partial maturities, on December 1, 2024, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

<table>
<thead>
<tr>
<th>Date of Redemption</th>
<th>Redemption Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 1, 2024, to November 30, 2025</td>
<td>2.00%</td>
</tr>
<tr>
<td>December 1, 2025, to November 30, 2026</td>
<td>1.00%</td>
</tr>
<tr>
<td>December 1, 2026, and thereafter</td>
<td>0.00</td>
</tr>
</tbody>
</table>

The Series 2019 Bonds maturing December 1, 2051 are subject to mandatory sinking fund redemption requirements in accordance with the Indenture.

Annual debt service requirements to maturity for the special revenue bonds are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$</td>
<td>964,500</td>
<td>964,500</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>964,500</td>
<td>964,500</td>
</tr>
<tr>
<td>2022</td>
<td>290,000</td>
<td>964,500</td>
<td>1,254,500</td>
</tr>
<tr>
<td>2023</td>
<td>305,000</td>
<td>950,000</td>
<td>1,255,000</td>
</tr>
<tr>
<td>2024</td>
<td>320,000</td>
<td>934,750</td>
<td>1,254,750</td>
</tr>
<tr>
<td>2025 - 2029</td>
<td>1,860,000</td>
<td>4,417,000</td>
<td>6,277,000</td>
</tr>
<tr>
<td>2030 - 2034</td>
<td>2,370,000</td>
<td>3,903,000</td>
<td>6,273,000</td>
</tr>
<tr>
<td>2035 - 2039</td>
<td>3,025,000</td>
<td>3,248,750</td>
<td>6,273,750</td>
</tr>
<tr>
<td>2040 - 2044</td>
<td>3,865,000</td>
<td>2,412,250</td>
<td>6,277,250</td>
</tr>
<tr>
<td>2045 - 2049</td>
<td>4,925,000</td>
<td>1,345,500</td>
<td>6,270,500</td>
</tr>
<tr>
<td>2050 - 2051</td>
<td>2,330,000</td>
<td>176,250</td>
<td>2,506,250</td>
</tr>
<tr>
<td>Total</td>
<td>$19,290,000</td>
<td>20,281,000</td>
<td>39,571,000</td>
</tr>
</tbody>
</table>
IV. Detailed Notes on All Funds (continued)

C. Long-term Obligations (continued)

The Authority had the following changes in debt for the year ended December 31, 2019:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Funding - AACMD</td>
<td>$535,074</td>
<td>1,161,404</td>
<td>(1,696,478)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>S.R. Bonds, Series 2019</td>
<td>-</td>
<td>19,290,000</td>
<td>-</td>
<td>19,290,000</td>
<td>-</td>
</tr>
<tr>
<td>Premium on 2019 bonds</td>
<td>-</td>
<td>298,223</td>
<td>(9,037)</td>
<td>289,186</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$535,074</strong></td>
<td><strong>20,749,627</strong></td>
<td><strong>(1,705,515)</strong></td>
<td><strong>19,579,186</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

V. Other Information

A. Risk Management

Colorado Special Districts Property and Liability Pool

The Authority is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees. The Authority is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool (“Pool”). The Pool is an organization created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to $1,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Authority pays annual premiums to the Pool for liability, property and public official’s 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.

A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2018 (the latest audited information available) is as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>$ 63,918,422</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td>$ 39,345,647</td>
</tr>
<tr>
<td>Capital and surplus</td>
<td>24,572,775</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 63,918,422</td>
</tr>
</tbody>
</table>

| Revenue                         | $ 20,983,559 |
| Underwriting expense            | 22,973,705   |
| Underwriting gain (loss)        | (1,990,146)  |
| Other income                    | 898,330      |
| **Net Income (Loss)**           | $(1,091,816) |
V. Other Information (continued)

B. Intergovernmental Agreements

1. ARTA Member Contribution Funding Agreement

On September 5, 2018, the Authority entered into an intergovernmental agreement with AACMD, the County and the City (collectively, the “Parties”) whereby the Parties each agreed to fund $350,000 as a one-time contribution. The Parties acknowledge and agree the contributions are not intended to be reimbursed by ARTA. The Parties further agree that upon receipt by ARTA, the contribution funds may be utilized by the ARTA in the full discretion of the Board of Directors of the ARTA for any and all purposes of the ARTA consistent with the Establishing IGA.

2. Master Service Agreement for Engineering Services

On December 18, 2018, the Authority and AACMD entered into a service agreement with Schedio Group, LLC (the “Engineer”) for the purpose of establishing terms by which the Engineer will provide the services to the District and the Authority related to the Phase I Improvements and the Adjacent Improvements (see Note IV.C.I) and how the District and the Authority will compensate the Engineer. The services include the review and verification of costs incurred associated with the design of the regional transportation system. The Engineer shall perform services only upon receipt of a written Task Order, including details of the party responsible for the payment. Fees and special circumstances regarding payment are further detailed in the agreement.


On May 22, 2019, the District and the Authority entered into an intergovernmental agreement to continue to utilize the District’s project management services regarding the design, construction and operation and maintenance of the regional transportation system improvements as the amended and restated agreement (see note IV.C.1) terminated upon ARTA’s reimbursement for the advanced funding. AACMD shall continue to manage and advance the design and construction related to the completion of the Phase I improvements. AACMD shall provide regular progress reports to ARTA and shall include information on the services that AACMD currently has under contract for design and/or construction of regional transportation system improvements. AACMD shall provide four months prior written notice to ARTA of the upcoming initiation by AACMD of each next phase of the regional transportation system improvements which requires additional funding from ARTA. AACMD shall, no more frequently than once a month, submit a draw request to ARTA for payment of verified costs incurred by AACMD for the work related to the ARTA Phase I Improvements. The draw request shall include a report prepared and certified by the Engineer indicating that the funds requested for the ARTA Phase I improvements are for verified costs.
V. Other Information (continued)

B. Intergovernmental Agreements (continued)

4. Interim Maintenance of ARTA Regional Transportation System Improvements

On May 22, 2019 the District and the Authority entered into an intergovernmental agreement to also utilize the District for the interim maintenance of the Regional Transportation System Improvements and Connecting Improvements (as defined in the agreement) for the period of time between when the Regional Transportation System Improvements and related Connecting Improvements are constructed until they are conveyed to the appropriate governing jurisdiction(s) for long term ownership, operation, maintenance, repair and replacement. ARTA shall reimburse AACMD for all Verified Maintenance Costs expended by AACMD to provide the Maintenance Services on the Regional Transportation System Improvements and Connecting Improvements. AACMD agrees it will, on no less frequently than a quarterly basis, report all Maintenance Expenses incurred by AACMD to the Engineer to determine the Verified Maintenance Costs.

5. E-470 and 38th Avenue Interchange Funding and Construction

On August 8, 2019, the Authority entered into an intergovernmental agreement with the E-470 Public Highway Authority ("E-470") regarding the construction of an interchange between E-470 and ARTA’s regional transportation system. E-470 and the Authority acknowledge that significant efficiencies and cost savings may be realized to the mutual benefit of both parties by planning and executing the construction of the interchange in connection with the E-470’s Widening Project (as defined in the agreement). Accordingly, E-470 is agreeable to accelerating construction of the interchange provided that ARTA pays the costs associated with the initial interchange design and the costs of the design and construction of the Bridge pursuant to the terms and conditions set forth in the agreement. ARTA anticipates acquiring additional bonds on or before December 31, 2021 to fund the interchange project. ARTA will transfer funds equal to the Bridge Completion Cost Estimate (as defined in the agreement) to E-470 to fund the project. The agreement shall terminate upon the final completion of the Interchange and payment by E-470 to ARTA of any cost savings pursuant to the agreement.

C. Subsequent Event – COVID-19

The spread of COVID-19 may have operational, economic and financial impacts on the Authority. The significance and duration of the potential impacts cannot be reasonably estimated at this time.
REQUIRED SUPPLEMENTARY INFORMATION
### Schedule of Revenues, Expenditures and Changes in Fund Balance
#### General Fund

For the Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended 2018

<table>
<thead>
<tr>
<th></th>
<th>2019 Original and Final Budget</th>
<th>Variance Positive and Final Positive Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member contribution income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net investment income</td>
<td>12,000</td>
<td>(312)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>12,000</td>
<td>1,054,137</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting and audit</td>
<td>67,850</td>
<td>25,262</td>
</tr>
<tr>
<td>Legal</td>
<td>100,000</td>
<td>8,437</td>
</tr>
<tr>
<td>Authority management</td>
<td>100,000</td>
<td>92,382</td>
</tr>
<tr>
<td>Financial advisor</td>
<td>105,000</td>
<td>60,958</td>
</tr>
<tr>
<td>Subscriptions and dues</td>
<td>3,000</td>
<td>3,372</td>
</tr>
<tr>
<td>Insurance</td>
<td>3,200</td>
<td>1,001</td>
</tr>
<tr>
<td>Meeting expenses</td>
<td>2,400</td>
<td>2,400</td>
</tr>
<tr>
<td>Website</td>
<td>1,000</td>
<td>4,700</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>620</td>
<td>198</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>383,070</td>
<td>92,146</td>
</tr>
<tr>
<td><strong>Excess (Deficiency) of Revenues Over Expenditures</strong></td>
<td>(371,070)</td>
<td>91,834</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in (out)</td>
<td>6,811</td>
<td>(6,071)</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>6,811</td>
<td>(6,071)</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balance</strong></td>
<td>(364,259)</td>
<td>(278,496)</td>
</tr>
<tr>
<td><strong>Fund Balance - Beginning</strong></td>
<td>742,330</td>
<td>754,122</td>
</tr>
<tr>
<td><strong>Fund Balance - Ending</strong></td>
<td>378,071</td>
<td>475,626</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
SUPPLEMENTARY INFORMATION
### Aerotropolis Regional Transportation Authority
#### Schedule of Revenues, Expenditures and Changes in Fund Balance
##### Debt Service Fund
##### For the Year Ended December 31, 2019
##### With Comparative Actual Amounts For 2018

<table>
<thead>
<tr>
<th></th>
<th>2019 Original Budget</th>
<th>2018 Final Budget</th>
<th>2019 Actual</th>
<th>Variance (Negative)</th>
<th>2018 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>3,880</td>
<td>3,880</td>
<td>3,880</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Specific ownership taxes</td>
<td>194</td>
<td>194</td>
<td>287</td>
<td>93</td>
<td>-</td>
</tr>
<tr>
<td>Adams County property taxes</td>
<td>9,793</td>
<td>9,793</td>
<td>8,882</td>
<td>(911)</td>
<td>-</td>
</tr>
<tr>
<td>City of Aurora use tax</td>
<td>606,008</td>
<td>606,008</td>
<td>34,798</td>
<td>(571,210)</td>
<td>-</td>
</tr>
<tr>
<td>City of Aurora residential impact fees</td>
<td>61,200</td>
<td>61,200</td>
<td>-</td>
<td>(61,200)</td>
<td>-</td>
</tr>
<tr>
<td>Net investment income</td>
<td>500</td>
<td>28,000</td>
<td>26,134</td>
<td>(1,866)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>681,575</td>
<td>709,075</td>
<td>73,981</td>
<td>(635,094)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursements for advanced funding</td>
<td>-</td>
<td>1,696,478</td>
<td>1,696,478</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advanced funding interest</td>
<td>-</td>
<td>50,417</td>
<td>50,417</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Series 2019 bond principal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Series 2019 bond interest</td>
<td>674,706</td>
<td>415,271</td>
<td>415,271</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>County Treasurer's fees</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>674,764</td>
<td>2,162,224</td>
<td>2,162,224</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>(Deficiency) of Revenues Over Expenditures</strong></td>
<td>6,811</td>
<td>(1,453,149)</td>
<td>(2,088,243)</td>
<td>(635,094)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2019 bond proceeds</td>
<td>-</td>
<td>19,588,223</td>
<td>19,588,223</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bond issuance costs</td>
<td>-</td>
<td>(615,240)</td>
<td>(615,240)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers in (out)</td>
<td>(6,811)</td>
<td>(13,631,868)</td>
<td>(13,625,797)</td>
<td>6,071</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>(6,811)</td>
<td>5,341,115</td>
<td>5,347,186</td>
<td>6,071</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balance</strong></td>
<td>-</td>
<td>3,887,966</td>
<td>3,258,943</td>
<td>(629,023)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund Balance - Beginning</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund Balance - Ending</strong></td>
<td>-</td>
<td>3,887,966</td>
<td>3,258,943</td>
<td>(629,023)</td>
<td>-</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.

F1
<table>
<thead>
<tr>
<th></th>
<th>2019 Original and Final Budget</th>
<th>2018 Actual</th>
<th>Variance Positive (Negative)</th>
<th>2018 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>93,663</td>
<td>93,663</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>-</td>
<td>93,663</td>
<td>93,663</td>
<td>-</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>14,369,496</td>
<td>4,640,226</td>
<td>9,729,270</td>
<td>535,074</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>14,369,496</td>
<td>4,640,226</td>
<td>9,729,270</td>
<td>535,074</td>
</tr>
<tr>
<td><strong>(Deficiency) of Revenues</strong></td>
<td>(14,369,496)</td>
<td>(4,546,563)</td>
<td>9,822,933</td>
<td>(535,074)</td>
</tr>
<tr>
<td><strong>Other Financing Sources:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from advanced funding</td>
<td>14,369,496</td>
<td>1,161,404</td>
<td>(13,208,092)</td>
<td>535,074</td>
</tr>
<tr>
<td>Transfers in (out)</td>
<td>-</td>
<td>13,625,057</td>
<td>13,625,057</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources</strong></td>
<td>14,369,496</td>
<td>14,786,461</td>
<td>416,965</td>
<td>535,074</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balance</strong></td>
<td>-</td>
<td>10,239,898</td>
<td>10,239,898</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund Balance - Beginning</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund Balance - Ending</strong></td>
<td>-</td>
<td>10,239,898</td>
<td>10,239,898</td>
<td>-</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
S$19,290,000
AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY
SPECIAL REVENUE BONDS
Series 2019

Date of Report: April 1, 2020, for Quarter ending: June 30, 2020

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement ("Agreement") entered into as of June 1, 2019, by and among the Aerotropolis Regional Transportation Authority (the "Authority"), Aurora Highlands, LLC, a Nevada limited liability company ("Developer"), and BOKF, N.A., Denver, Colorado, as trustee (the "Trustee") for the above captioned bonds (the "Bonds") or the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated as of June 12, 2019. Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above and is provided with respect to development within the boundaries of the Authority.

Section 1. Development. The Developer shall provide the following information with respect to property within the Development as of the end of the Quarter for which this Quarterly Report is provided.

(a) Summary of Planned Development. The information in Table VII of the Limited Offering Memorandum with respect to anticipated residential absorption shall be updated to the extent there are any changes to such information since the last Quarterly Report.

Impacts arising from the global pandemic caused by the coronavirus, SARS-CoV2 may negatively impact anticipated residential absorptions in 2020.

(b) Zoning and Platting. Describe any changes to the zoning and/or platting of the property in the Development initiated by the Developer or of which the Developer has been given written notice by other owners of property within the Development since the last Quarterly Report (including any amendments to site development plans).

As of June 30, 2020, applications for final plats were pending in the City of Aurora for the creation of 864 lots. And, pre-application meetings were held with the City regarding an additional 174 lots.

(c) Purchase Contracts. To the extent such information is permitted to be publicly disclosed, describe any (i) changes to the contracts for the purchase of acreage by homebuilders or others from the Developer as set forth in the section of the Limited Offering Memorandum entitled "THE DEVELOPMENT AND THE DEVELOPER—Homebuilder Agreements" and (ii) new contracts for the purchase of acreage by any homebuilders or others from the Developer since the last Quarterly Report.

As of June 30, 2020, multiple homebuilders were under contract for the development of approximately 2,522 residential homes.
The information contained in this Quarterly Report has been obtained from sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness. The information contained in this Quarterly Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds and is neither intended to, nor shall it be, used by the Owners or Beneficial Owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this Quarterly Report by any person or entity shall create no obligation or liability of the Developer.

The undersigned hereby certifies that he/she is an authorized representative of the Developer and further certifies that the information contained in the foregoing Quarterly Report is, to the best of his/her knowledge, true, accurate and complete. This Quarterly Report may be executed below on counterpart signature pages.

AURORA HIGHLANDS, LLC, a Nevada limited liability company

By: CGF Management, Inc,
its Manager

By:
Carlo G. Ferreira, President

[Signature/Certification Page to 2nd Quarter, 2020, Quarterly Report]
August 6, 2020

Matt Hopper, Chair
Aerotropolis Regional Transportation Authority
1700 Lincoln Street, STE 2000
Denver, CO 80203

Aerotropolis Regional Transportation Authority,

Ehlers Investments prides itself on its commitment to providing outstanding investment advisory services and results to the communities we serve. Our mission is simple – consider only the best interests of our clients by providing local government officials with convenience, confidence and peace of mind to help them effectively and safely manage investments for their community’s future.

**Public Sector Focus.** Our only clients are governmental entities, agencies and special authorities. Ehlers’ exclusive focus on the public sector uniquely positions us to provide a level of service that is unsurpassed in the markets we serve. We have an extensive understanding of the circumstances our clients operate in, which allows us to speak to best practices and specifically tailor our advice to meet the explicit needs of those we engage with.

**Fiercely independent.** Ehlers’ has a fiduciary relationship with every client we serve. We will always place your interests first, delivering investment advisory solutions that fulfill your needs as cost-effectively as possible and provide the maximum benefit to your community. We adhere strictly to the prioritized principles of safety, liquidity and yield. We have no investment banking affiliation and do not maintain a securities inventory from which we would engage in principal trading activities. Our interests are always aligned with yours.

**Fully integrated.** Using a collaborative approach in advising our clients, Ehlers offers a fully integrated suite of services designed to help clients navigate every facet of public finance, including investments, treasury management consulting, arbitrage, financial management planning, debt issuance and management, paying agent services and continuing disclosure. We believe this approach delivers the greatest insight, highest value and the most reasonable cost to our clients.

**Fee Only.** Ehlers’ investment advisory fees are based solely on assets under management. We receive no additional compensation or commission on securities or other transactions. Any other services would be provided on a flat-fee or hourly basis. Further, we do not offer any proprietary pooled investment vehicle or other form of liquidity product from which an administrative or other fee is derived. Our advice and recommendations will always serve your interests – never ours. All client portfolios are managed as separate accounts and we will recommend whatever cash management products best suit our clients’ needs.
Committed. We are committed to providing investment advisory services that ensure a robust financial future in the communities we serve. We will honor this commitment by;

1. Preparing a cash flow forecast to determine current funds available, timing of receipts and payments and amounts available for investment.
2. Formulating an investment policy that outlines general objectives, ensures compliance with state statutes, establishes procedures and controls, provides for continuity to the investment program and incorporates language for local depository considerations and deposit collateralization procedures.
3. Implementing an investment strategy that is consistent with the cash flow forecast, conforms to the investment policy and the tenants of Safety, Liquidity and Yield and is understood by those responsible for its success.
4. Scheduling regular reviews to ensure your investment strategies and performance are consistent, cash forecasts current and treasury management practices efficient and cost effective.

For the Aerotropolis Regional Transportation Authority, Ehlers Investments proposes a fixed fee schedule at 0.09% (9 basis points) annually based on assets under management. The asset-based fee is all-inclusive and would cover all cash and investment management services. There are no per trade fees or commissions.

Thank you for considering Ehlers Investments.

Sincerely,

Ryan Miles, CPFIM
Senior Investment Advisor
Ehlers Investments
INVESTMENT ADVISORY AGREEMENT

Aerotropolis Regional Transportation Authority
1700 Lincoln Street, STE 2000
Denver, CO 80203

This Agreement is entered into as of the Effective Date (described below) between Ehlers Investment Partners, LLC (referred to as “Advisor,” or “we,” “us,” or “our”), and the municipal government entity named above (referred to as “Client,” “you” or “your”). The parties agree as follows:

1. THE PROGRAM; ADVISOR AND AFFILIATES; RECEIPT OF DOCUMENTS; QUESTIONS AND RISKS

(a) Advisor and Advisor’s Affiliates. Advisor is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Advisor previously conducted business under the name “BBE Community Investment Partners, LLC.” Advisor provides municipal governments a program of investment management services which includes cash flow analysis and forecasting, and related services known as investment advisory services (the “Program”), including the following (all the “Services”):

- Assisting Client in establishing investment objectives, consistent with Client's risk tolerance, financial needs and goals, and Client’s Investment Policy Statement (as described below);
- Assisting Client in establishing asset allocation mix based on Client's financial position, cash flow, risk preference, time horizon, and the Investment Policy Statement;
- Setting up a Client safekeeping account ("Program Account"), as defined below, with a qualified bank, brokerage firm or other financial institution (“Custodian”).
- Assisting Client in transfer of assets to and from Program Accounts, as directed by Client, for safekeeping;
- Implementing trades and account management, as described in paragraphs 4 and 5;
- As requested by Client, preparing periodic performance reports regarding the Program Account;
- Meeting with Client, as needed, for updates of ongoing investment planning and portfolio review;
- At the direction of Client, contracting with third-parties to provide money market mutual funds, certificates of deposit (collateralized or uncollateralized) and other securities, as applicable; and
- With direction from Client, preparing a cash flow forecast to aid in determining funds available for investment.

(b) Agreement Governs Services and Program. Client’s participation in the Program, the Services, and the management of Program Account will be governed by the terms of this Agreement.

(c) Advisor’s Affiliated Companies. Advisor is one of the affiliated financial services companies comprising the Ehlers Companies, which also include Bond Trust Service Corporation, which provides paying agent services, and Ehlers & Associates, a registered municipal advisor, which provides municipal advisory services to government and not for profit entities. It is not anticipated that one of these affiliates will provide services for Client under this Agreement. If Adviser determines to engage the services of a company affiliated with it in providing advisory services to Client pursuant to this Agreement, Advisor will disclose such engagement to Client and Client may instruct Adviser to terminate such relationship at any time. Advisor, Bond Trust Service Corporation, and Ehlers & Associates do not share fees except through common ownership of Ehlers Companies.

(d) Program Account and Custodian. You will or have established the Program Account (defined below) with the Custodian (identified below) who will hold and maintain the Program Assets (defined below) in your name. You have or will identify the initial assets that will comprise the Program Assets, either on Exhibit A attached hereto and incorporated herein by this reference or on forms now or hereafter supplied by Advisor or Custodian.

Building Communities. It’s what we do.
(e) Receipt of Documents. You acknowledge you have received and had the opportunity to review and ask our investment adviser representative assigned to your account (the “Representative”) questions about the following documents:

(i) our Brochure, Form ADV Part 2A (the “Brochure”),

(ii) the Brochure Supplement for our Representative (the “Brochure Supplement”),

(iii) our Notice of Privacy Policies summarizing our policies regarding your personal information, and

(iv) a copy of this Agreement.

(f) Opportunity to Discuss Questions. You have had the opportunity to discuss with the Representative:

(i) the anticipated types of investments in which the Program Account will invest, which shall be permitted investments under applicable state statute or client-specified investment policy;

(ii) the investment strategy (the “Strategy”) the Representative expects to use in managing the Program Assets;

(iii) the risks of the Program, these and types of investments;

(iv) the fees you will pay and the other expenses the Program Account will incur in the Program; and

(v) the circumstances where we have economic incentives and conflicts of interests to place our interests ahead of yours.

(g) Acceptance of Risk. You acknowledge and agree that the Program Account will be managed by Advisor and Representative on a non-discretionary basis: You acknowledge you understand and agree to accept the risks, fees, costs, and conflicts of interest associated with this Agreement and your participation in the Program.

2. CUSTODIAN, ACCESS TO ACCOUNT INFORMATION, THE PROGRAM ACCOUNT, AND THE PROGRAM ASSETS

(a) Custodian and Program Account. To participate in the Program, your assets must be maintained in account(s) under your name (the “Program Account”) with one or more qualified custodians (collectively, if more than one, the “Custodian”). Your account with the Custodian will be governed by separate agreements between you and the Custodian, and you will be solely responsible for negotiating the terms of such agreements. The Program Account will bear the fees and expenses of the Custodian and of transactions for the Program Assets, according to your agreement with the Custodian. These costs will be separate from and in addition to the Advisory Fees your account pays.

(i) The Custodian will send you at least quarterly a statement for the Program Account reflecting the Program Assets received or disbursed by the Custodian, the amount of fees or expenses paid from the Program Account, the transactions occurring with respect to the Program Account, and a summary of the Program Account’s positions and values, as of the end and for the period covered by such statement. You authorize the Custodian to send copies of its statements and confirmations of transactions to us and your Representative, along with an indication that the statements have been sent to you, and to permit us and the Representative to electronically view and download Program Account information. You grant us unrestricted access to your account information.

(b) Program Assets. The “Program Assets” refer, collectively, to the assets maintained by the Custodian for the Program Account, including without limitation, the income, gains, and additions thereto, as reflected on the Custodian’s records from time to time. An asset becomes a Program Asset as of the date the asset is posted by the Custodian to the Program Account (which may be different than the trade date or settlement date).
(i) We will not manage or be responsible for taking any action with respect to an asset unless and until it becomes a Program Asset, even if such asset is otherwise held or maintained by the Custodian. You shall be solely responsible for the investment and reinvestment of your assets, and you will bear the risk of market fluctuations and any decline (or increase) in value, until such assets have become Program Assets.

(ii) Client acknowledges that during the term of this Agreement, there will be periods of time when neither Client nor Advisor will be able to effect transactions for Client’s assets (such as, for example, when an asset is being transferred, purchased, exchanged, or redeemed), or when Program Assets will be subject to limitations or restrictions on transfer, purchase, exchange, or redemption imposed by a mutual fund company or other issuer, and Client agrees to bear the risk of market fluctuations and any decline (or increase) in value during such periods.

3. **THE PROGRAM AND THE PROGRAM ACCOUNT**

   (a) **Suitability Information.**

   (i) Representative will assist Client in completing an account profile to collect information regarding the Client's financial situation, and the investment objective, tolerance for risk, liquidity needs, and investment time horizon for the Program Account (all the “Suitability Information”), as well as any reasonable investment restrictions the Client wishes to impose.

   (ii) Representative will assist Client to develop an investment policy statement (the “IPS”) which summarizes a range of factors affecting the recommendations Advisor makes for the Program Account, which may include, initial asset classes and allocation targets, minimum quality and duration standards, risk tolerance and volatility limits, diversification requirements, and expectations for account rebalancing to maintain designated targets. However, Client recognizes there will be times when, in Advisor’s judgment, deviation or modification from any guideline, policy, target, or minimum standard, limit, requirement, or expectation contained in the IPS is appropriate, and Client hereby agrees, consents, and ratifies each such deviation or modification.

   (b) **Non-Discretionary Account.** Except as otherwise provided herein, Advisor shall not exercise discretion with respect to the Account or transactions. Advisor will provide continuous and regular investment management services with respect to the Program Assets, including ongoing responsibility to make recommendations, based upon the needs of the Client, as to specific cash and security investments the Program Account may purchase or sell, guided by the Suitability Information, Investment Policy Statement, applicable State Statutes and information provided to Advisor from time to time, and if such recommendations are accepted by the Client, Advisor is responsible for arranging or effecting the purchase or sale of such investments. Client may at any time deposit additional funds and/or securities with Custodian so as to increase the Program Account. Client may also withdraw funds or securities from the Program Account by giving notice to Advisor and Custodian.

4. **ADVISOR’S AUTHORITY.**

   (a) **Authority to Act for Client and the Program Account.** In the performance of Advisor’s responsibilities under this Agreement:

   (i) Client authorizes Advisor and Representative, at Client’s risk:

      (A) to issue instructions or orders to Custodian: to purchase, sell, exchange, redeem, or otherwise effect transactions involving the Program Assets, as they deem necessary or proper to manage the Program Account consistent with the Suitability Information;

      (B) to transfer Program Assets to one or more accounts maintained at a qualified custodian with an account holder registration identical to the Program Account (each a “Transferee Account”),
which Client must specifically identify (e.g., by name of qualified custodian, account registration, and account number); provided,

- if the Transferee Account is intended to be a Program Account, Client has designated it as such on forms as Advisor or Custodian request, and furnished a copy of this Agreement to its Custodian, in which case Advisor is specifically empowered to transfer assets to and from such Program Account, as necessary, consistent with its management responsibilities; or
- if the Transferee Account is not a Program Account, Client has authorized Advisor in writing to make specific transfer(s) to (but not from) the Transferee Account and a copy of that authorization is provided to the qualified custodian; and

(C) to perform acts necessary or convenient for the efficient management or administration of the account or performance of Advisor’s obligations under this Agreement; provided, in no event shall Advisor have such authority as to constitute actual or constructive custody of the Program Assets (other than the authority with respect to the payment of the Advisory fees);

(D) provided, Advisor shall not have any authority: to obtain possession of the Program Assets (except in payment of the Advisory Fees, as provided below); or to cause the transfer or distribution of any of the Program Assets out of a Program Account (other than in connection with usual trading or transactions for the Program Account), except to an account with a qualified custodian with an accountholder registration identical to the Program Account; and

(ii) Client specifically agrees that all authority granted in this Agreement to act on behalf of Client and the Program Account is granted solely to Advisor, and the descriptions of authority that refer to the Representative are limited to authority Advisor grants to Representative to provide investment advisory services on Advisor’s behalf for Client and the Program Account. Advisor may limit or terminate any authority granted to a Representative in our discretion; and all such authority to act terminates immediately upon Advisor’s termination of such authority.

(b) Evidence of Advisor’s Authority. Advisor may provide a copy of this Agreement to any Custodian, broker, or other third-party, as evidence of Advisor’s authority to act for you and the Program Account.

(c) Reliance on Suitability Information and Investment Policy Statement. Client shall provide Advisor with accurate, complete, and current Suitability Information and Investment Policy Statement necessary for Advisor to manage the Program Assets and provide the services pursuant to this Agreement.

(i) Client acknowledges the Representative and Advisor have and will rely on the Suitability Information and Investment Policy Statement in making investment recommendations for the Program Account. Client agrees to notify Representative and Advisor promptly, in writing, of changes in the Suitability Information and Investment Policy Statement, such as any new or changed information regarding Client’s financial condition or needs, tolerance for risk, investment time horizon, or investment objective, or changes in the Client’s asset allocation targets, or investment restrictions, or other matters, as expressed in the Investment Policy Statement, or any other matter that would be material to the investment advice or other services Advisor provides for Client.

(ii) Client agrees that neither Representative nor Advisor, nor any of Advisor’s directors, officers, employees, or agents will be responsible or liable as a result of Client’s failure to provide Advisor with timely, accurate, and complete Suitability Information, or to notify Advisor of any new or changed information, as described in the preceding paragraph. Client agrees to hold all of Advisor and Advisor’s affiliates, and all of such persons harmless and to indemnify each of them for any loss, liability, damage or expense (including without limitation, reasonable attorneys’ fees) incurred by any of them, arising from or related to Client’s failure to ensure that the Suitability Information or

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**Building Communities. It's what we do.**

4700 S Syracuse Street Suite 860
Denver, CO 80237
Office: (303) 802-2311

3060 Centre Pointe Drive
Roseville, MN 55113
Office: (651) 697-8500

N21W23350 Ridgeview Parkway West, Suite 100
Waukesha, WI 53188
Office: (262) 796-6164 • Fax: (262) 785-1810

Investment Policy Statement is timely, accurate and complete, or Client’s failure to notify Advisor of any new or changed information that would be material to the investment advice or other services Advisor provides.

(A) Client is not waiving any right or remedy Client would have against Advisor or Representative under the Investment Advisers Act of 1940 or other federal securities laws.

(d) No Guarantees Regarding Profits or Limitation of Losses. Advisor cannot guarantee that participation in the Program will be profitable or that Client losses will be limited. Client agrees to bear the risk of losses resulting from investing the Program Assets in the Program.

(e) Tax Consequences. Client acknowledges that Advisor is not acting as a tax accountant or lawyer for Client, and neither Advisor nor Representative has provided Client with any tax opinions or legal advice with respect to the Program. The purchase, sale, exchange, and redemption of Program Account investments will generally be treated as taxable events. Client has consulted its tax advisor or otherwise understands the potential tax consequences of the Program.

5. EXECUTION OF ACCOUNT TRANSACTIONS

(a) Brokerage Discretion. Client agrees each portfolio manager for the Program Account (whether a Representative or Advisor’s Investment Committee) is granted the authority to effect transactions with or through a broker-dealer selected in the portfolio manager’s discretion, which may be the Custodian or a broker-dealer affiliated with the Custodian.

(b) DVP Transactions. Advisor shall instruct the brokers and dealers that execute orders for the Account to send Client all transaction confirmations and that all transactions must be completed using delivery vs. payment (DVP), and except as provided below with respect to Aggregation of Orders and Block Trading, all transactions for the Account shall be effected independently of transactions for Advisor’s other clients.

(c) Instructions by Advisor’s Authorized Personnel. Instructions of Advisor to Custodian shall be made in writing or, at the option of Advisor, shall be made orally and confirmed in writing as soon as practical thereafter; provided that all such instructions, written or oral, shall be issued only by persons designated from time to time by Advisor in a written instrument delivered to Custodian. Client shall provide, or instruct Custodian to provide, to Advisor such periodic reports concerning the status of the Account as Advisor may reasonably request.

(d) Selection of Brokers. In selecting brokers, the portfolio manager will consider the full range and quality of the broker’s services, including, among other things, execution capability, cost, financial responsibility, responsiveness, and the value of research and other services; provided, the manager will not recommend a broker solely on the basis of the lowest possible commission cost, but rather, Advisor will determine whether the broker has the ability to provide the best overall qualitative execution considering all factors, including services that benefit our firm.

6. AGGREGATION OF ORDERS AND BLOCK TRADING

(a) Authority, But No Obligation, to Engage in Block Trading. Client hereby grants each portfolio manager for the Program Account the authority, but Client relieves them of any obligation, to aggregate orders for the Program Account with orders for other accounts for the purpose of “block trading.” Client acknowledges that if orders for the Program Account are not aggregated with other orders into block orders, Client will not receive the benefits of potentially lower transaction costs, timelier or better execution, volume discounts, or other efficiencies that might be obtained by accounts whose orders are aggregated. Client authorizes and directs Advisor to instruct all firms executing orders for Client to forward confirmations of those transactions to Custodian and Advisor.
(b) Average Price Account. Although the practices of portfolio managers may vary, block orders, if any, are typically effected through an “average price account” or similar account such that transactions for accounts participating in the order are averaged as to price and transaction costs. If a portfolio manager cannot obtain complete execution of the entire aggregated order at prices or for transaction costs that the portfolio manager believes are desirable, the portfolio manager will allocate the securities or proceeds of the orders that were executed among the participating accounts according to the portfolio manager’s internal order allocation procedures. Such allocations must be consistent with its fiduciary duty to manage accounts fairly and non-preferentially over time, to the extent within its reasonable control.

7. ADVISORY FEES AND OTHER EXPENSES OF THE ACCOUNT, PROGRAM ASSETS, AND PROGRAMS

(a) Advisory Fee Rates. For the term of this Agreement, you agree to pay or cause to be paid in arrears, the Advisory Fees calculated according to the terms of paragraph (b) and the attached Schedule of Fees.

(b) Advisory Fees Payable Monthly in Arrears. Advisory Fees are calculated and payable monthly in arrears according to the Fee Schedule as attached hereto or subsequently amended, based on the average daily market value of Program Assets. Advisor will provide to Client an accounting for fees owed no later than the 10th business day of each month for services billed for the previous month (or as of the last day of the term of this Agreement). Payments for services are due 30 days from invoice date. Client may authorize electronic payment of Advisory Fees. Advisory Fees are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

(i) The Advisory Fees do not include the additional costs Client will incur for mutual funds, ETF’s, and other investment companies (such as 12b-1 Fees); the Brokerage and Investment Expenses; and any Custodial Expenses, as described in our Brochure; and any other costs not strictly included in the Advisory Fee.

(ii) Except as provided below, the value of the Program Assets shall be determined by reference to the valuations provided by or available from the Custodian (including without limitation, through any electronic system made available to Advisor). If the last trading day of a calendar month or other period for which Advisor calculate Advisory Fees is different than the last day of a Custodian’s reporting or statement period, Advisor may value Program Assets maintained by the Custodian as of the close of the Custodian’s reporting or statement period, as Advisor shall select on a consistent basis for each Custodian.

(c) Advisor’s Determination of Fair Value. In the event the Custodian does not value any Program Asset, or Advisor determines the Custodian’s value of an asset is materially inaccurate, such asset shall be valued by Advisor in good faith to reflect its fair value. Money market accounts and bank accounts, if any, shall be valued as of the valuation date. Transactions that have not settled may be included in either the current or the following billing period, as determined by us for each Custodian a consistent basis.

(d) Deduction and Payment of the Advisory Fees from the Program Account. Unless Client instructs on the Schedule of Fees that all fee payments will be made by it directly to Advisor, all Advisory Fee payments will be made by deduction from the Program Account immediately upon presentation of Advisor’s fee invoice to the Custodian. Custodian is authorized and directed to deduct the Advisory Fees directly from the Program Account and pay the Advisory Fees to Advisor when due, according to Advisor’s instructions, without prior notice to or further consent from Client. Client agrees to provide Custodian with such additional documentation as Advisor or Custodian requests authorizing and directing the Custodian to deduct the Advisory Fees from the Program Account and to pay the Advisory Fees to Advisor when due. Client authorizes Advisor to manage the Program Account to provide sufficient cash will be available in the Program Account to pay the Advisory Fees; however, in the event available cash is not sufficient at the time Advisory Fees are payable, Client agrees to authorize promptly the liquidation of securities in an amount sufficient to pay the Advisory Fees.
8. Other Direct and Indirect Expenses

(a) Additional Fees and Expenses. Client understands that in addition to the Advisory Fees, the Program Account will also incur the following direct and indirect fees and expenses:

(i) costs of transactions placed through the Custodian or other brokers: the Program Account will be responsible for brokerage commissions, sales charges, ticket charges, exchange fees, redemption fees, mark-ups, mark-downs, and dealer spreads paid to or received by any broker in connection with transactions involving the Program Assets; fees for floor brokerage, electronic transaction networks, and exchanges; fees and expenses pursuant to a Custodial Agreement or any agreement with a broker, including without limitation, fees or expenses for postage, deliveries, additional services, wire transfers, taxes; and other third-party expenses with respect to the Program Assets or the Account;

(ii) custodial charges: the Program Account will be responsible for any charges imposed by the Custodian for services in maintaining custody and delivering the Program Assets, according to Client’s separate agreement with the Custodian;

(iii) mutual fund and other investment company charges: the Program Account will be responsible for the fees and expenses that are deducted from the net asset value of mutual funds, money market funds, and other investment company securities held by the Program Account (and which constitute indirect expenses of the Program Account), including without limitation, internal operating and investment expenses of such funds or marketing and distribution fees (known as “12b-1 Fees”), servicing fees, sub-accounting fees, internal fund management fees; and

(iv) short-term trading or redemption fees: the Program Account will be responsible for the fees imposed by mutual funds or variable annuities for short-term trading or early redemptions or exchanges made within short periods of time (typically 1% - 2% of the amount originally invested).

(b) Availability of Lower Cost Services. You acknowledge that the Advisory Fees and other expenses charged to or borne by the Program Account may be higher than the fees and expenses charged for advisory programs or services offered through other investment advisors for similar products and services. You acknowledge that you can purchase mutual funds directly from a mutual fund company or through a broker of your choosing without participation in the Program; however, in that event you would not receive the benefit of our advice, which is intended to select and manage suitable investments for the Program Account.

(c) Additions and Withdrawals of Program Assets. Subject to the Program’s Terms and Conditions, the procedures of the Custodian, and to usual and customary securities settlement procedures, you may make additions to and withdrawals of Program Assets from the Program Account at any time; provided, we may exercise our right to terminate this Agreement and close the Program Account if the value falls below the minimum account size stated in this Agreement.

9. Minimum Account Size; Minimum Fee

(a) No Minimum Account Size. We do not require a minimum account size.

(b) No Minimum Fees. We do not charge a minimum fee.

10. Non-Exclusive Relationship

You acknowledge and agree that we may provide investment advisory services to other clients and receive fees for such services. The advice given and the actions taken with respect to such other clients, or with respect to accounts owned or controlled by us, the Representative, members, directors, officers, employees or agents may differ from advice given or the timing and nature of actions taken with respect to your account. You further recognize that transactions in a specific security may not be accomplished for all of our accounts at the same
time or at the same price. You acknowledge that in managing the Program Account, we may purchase or sell securities in which we, the Representative, or our officers, directors, employees, or agents have or may acquire, directly or indirectly, a position or interest.

11. **Proxy Voting**

We shall not have any obligation or authority to take any action or render any advice with respect to the voting of proxies for securities held for the Program Account. You (or the plan fiduciary in the case of an Account subject to the provisions of the Employee Retirement Income Security Act of 1974 [“ERISA”]), expressly retain the authority and responsibility for voting all proxies, and we are expressly precluded from rendering any advice or taking any action with respect to the voting of any proxies.

12. **Assignment**

This Agreement shall be binding on Client’s successors, administrators, and permitted assigns. We may not assign (as that term is defined under the Investment Advisers Act of 1940, as amended) this Agreement without your consent. Your consent to an assignment may be oral, and may be obtained through “negative consent” (among other permissible methods) in a manner consistent with our understanding of guidance of the Securities and Exchange Commission or its Staff.

13. **Term and Termination**

(a) **Agreement in Effect as of Effective Date.** This Agreement shall be in effect as of the Effective Date and shall continue until terminated by either party at any time without penalty upon written 30 days’ written notice to the other party. Such termination shall not, however, affect liabilities or obligations incurred or arising prior to such termination.

(b) **Client Responsibility Upon Termination.** Upon termination of this Agreement, you shall have the exclusive responsibility for managing your assets, and we shall have no further obligation to act or provide advice with respect to the Program Account or your assets. After this Agreement has been terminated: you will be charged commissions, sales charges, and transaction, clearance, settlement, and custodial charges, at prevailing rates, by any broker-dealer; you will be responsible for monitoring all transactions and assets; and we shall not have any obligation to monitor or make recommendations with respect to the account or those assets.

(c) **Refund Upon Termination.** Recognizing that Advisory Fees are payable in arrears, if you terminate this Agreement within five (5) business days of the Effective Date, and for some reason you have prepaid any Advisory Fees, you shall receive a full refund thereof. Alternatively, if this Agreement is terminated more than five (5) business days after the Effective Date, and for some reason you have prepaid any Advisory Fees, any prepaid Advisory Fees (if any) shall be applied to the prorated Advisory Fees payable for the last calendar month based on the number of days this Agreement was in effect during such month and the unearned portion shall be refunded to you within 30 days, and the Program Account shall be charged for any balance due. Upon termination of this Agreement, the Program Account will be charged the customary fees and commissions charged by Custodian and the Custodian’s fees for its services with respect to closing the Program Account and holding, transferring or liquidating the Program Assets.

14. **Representations**

Each individual acting on behalf of a municipality, corporation, partnership or limited liability company (each of which is referred to as a “person”) represents that the execution of this Agreement has been duly authorized by appropriate action of the governing body of such person, and that such individual has full power and authority to enter into this Agreement on behalf of such person; (ii) the terms hereof do not violate any agreement or obligation by which such individual or person is bound, whether arising by contract, operation of law, or otherwise; (iii) this Agreement has been duly authorized by such person and shall be binding according to its terms; and agrees to advise Advisor of any material change in such individual’s authority or the propriety

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4700 S Syracuse Street Suite 860
Denver, CO 80237
Office: (303) 802-2311

3060 Centre Pointe Drive
Roseville, MN 55113
Office: (651) 697-8500

N21W23350 Ridgeview Parkway West, Suite 100
Waukesha, WI 53188
Office: (262) 796-6164 • Fax: (262) 785-1810
of maintaining the Program Account. Client shall deliver to Advisor evidence of any such individual’s authority to act on behalf of Client, as Advisor or any Custodian shall request from time to time.

15. **RISK AND LIABILITY**

   (a) **Risk of Loss.** Client recognizes that there may be loss or decline in the value of any of the Program Assets. Client represents that neither Advisor, nor Advisor’s affiliates or anyone associated with Advisor (including without limitation Representative, or any directors, officers, employees or agents) has made any guarantee, either oral or written, that the Program Account’s investment objectives will be achieved. Neither Advisor nor any of its affiliates or such persons shall be liable for any loss incurred by reason of any act or omission by Custodian, or a third party. Nothing in this Agreement shall constitute a waiver or limitation of any rights that you may have under applicable state or federal law, including without limitation the state and federal securities laws.

   (b) **Errors and Omissions Insurance.** Advisor shall provide and maintain at its own expense during the term of this Agreement Errors and Omissions Insurance or Professional Liability Insurance covering the negligent acts, errors or omissions in the performance of professional services. Failure on the part of Advisor to produce or maintain the insurance shall constitute a material breach of contract upon which Client may immediately terminate this Agreement.

16. **LEGAL PROCEEDINGS**

   Neither Advisor nor anyone associated with Advisor or Advisor’s affiliates (including without limitation Representative) shall render advice or take any action with respect to legal proceedings involving or related to any of the Program Assets, or the issuers thereof, including without limitation, bankruptcies or class action lawsuits. You hereby expressly retain the right and obligation to take all action necessary to file responses, proofs of claim, or pleadings, and take all other actions related to any such proceeding.

17. **NOTICES AND DOCUMENTS**

   (a) Any notice or document (including an executed counterpart of this Agreement) required or permitted by this Agreement shall be sufficient if made in writing, signed by the communicator, and sent by pre-paid first-class United States Mail or by pre-paid overnight delivery through a national delivery service, or transmitted by facsimile transmission to the addressee.

   (i) Any notice or document which is mailed shall be deemed to have been given on the third business day after the date of mailing; provided, an executed counterpart of this Agreement shall deemed to have been given on the date of mailing; and

   (ii) Any such notice or document which is transmitted by facsimile or by pre-paid overnight delivery through a national delivery service shall be deemed to have been given on the business day on which it is transmitted or deposited with the national delivery service; provided, an executed counterpart of this Agreement shall deemed to have been given on the date of transmission or deposit with the delivery service;

   (iii) All notices or communications to Advisor shall be sent to Advisor’s principal business location, or to the facsimile number at its principal business location, addressed to the attention of the President, as shown on the front of this Brochure.

   (iv) All notices or communications to the client will be sent to the address or facsimile number for client, as shown on Advisor’s records pertaining to client or the Program Account.

   (b) If client consents to electronic delivery of Electronic Communications, as described below, the parties may use such methods to deliver notices and documents required or permitted by this Agreement (including an executed counterpart of this Agreement), in addition to the methods described in subparagraph (a) above. In that event, delivery of the notice or document shall occur upon the recipient’s
actual receipt of the Electronic Communication (for example, a text message, or email message actually received in the recipient’s agreed email account); or notice of availability of the Electronic Communication (for example, notice that a message or attachment is available on Advisor’s website) in a manner consistent with such paragraph.

18. CONSENT TO ELECTRONIC DELIVERY

(a) You hereby agree that if you provide us an Email Address (on the Signature Page to this Agreement or in any subsequent communication), we may, but we are not required to, deliver electronically to you, and you hereby consent to receive electronically, instead of receiving paper documents, any or all of the Electronic Communications (described below), on the terms and conditions described in this paragraph and in the Terms And Conditions For Electronic Delivery, which is incorporated herein by this reference. The agreements and consents in this paragraph are referred to as the “Consent.”

(b) The “Electronic Communications” means all disclosures, notices, and other communications relating to the account established between Client and Advisor pursuant to this Agreement (including an executed counterpart of this Agreement), or otherwise related to Advisor’s obligations or position as Client’s investment adviser, other than any document Client has specifically requested to be delivered in paper form. Client agrees that the following documents and all annual amendments and any notices related to them may be treated as Electronic Communications and may be delivered to Client electronically, in Advisor’s discretion:

- Form ADV, Part 2A Brochure and Part 2B Brochure Supplement for Representatives and other Supervised Persons;
- Summary of Material Changes to the Brochure;
- Notice of Privacy Policies;
- annual amendment of any of such documents;
- any disclosure, notice, consent, “negative consent,” or document that Advisor (or any successor) is required or permitted to provide or deliver in connection with any business reorganization, sale, transfer, or assignment; and any other disclosure, notice, consent, “negative consent,” or document that Advisor (or any successor or affiliate) is required or permitted to provide or deliver to Client under the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisers Act of 1940, or the Rules of the Securities and Exchange Commission.

(c) The Consent is effective on the Effective Date and will remain in effect until you or we revoke it. Each person included as a “Client” may revoke or restrict the Consent at any time as to such person and receive in paper form any or all documents required to be provided to such person in paper form, by written notice sent to the following address: Ehlers Investment Partners, LLC, Attention: Compliance, 3060 Centre Pointe Drive, MN, 55113 (the “Notice Address”). The legal effectiveness and validity of an Electronic Communication that was valid and proper when delivered shall not be affected by any subsequent revocation or restriction of the Consent, or subsequent request for delivery of paper copies of Electronic Communications.

(d) You may also request paper copies of any Electronic Communication without revoking the Consent by written request to the Notice Address. We may charge a reasonable fee for paper copies of any Electronic Communication otherwise deliverable to you electronically; provided, we shall not charge any fee for delivery of the Brochure, summary of material changes to the Brochure, Brochure Supplement, Notice of Privacy Policy, or any other document we are required by law to provide to you without charge.

19. GOVERNING LAW

This Agreement and all of the terms herein shall be construed and governed according to the laws of the State of Wisconsin, without giving effect to principles of conflict of laws, provided that there is no inconsistency with federal laws.

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20. ENTIRE AGREEMENT
This Agreement (including without limitation the exhibits to this Agreement) represents the parties’ entire understanding with regard to the matters specified herein, and no other agreements, covenants, representations, or warranties, express or implied, oral or written, have been made by any party to the other party concerning the subject matter of this Agreement. This Agreement supersedes all prior understandings and agreements between Client and Advisor relating to the subject matter of this Agreement.

21. SEVERABILITY
The provisions of this Agreement shall be severable. If any part of this Agreement is found to be invalid or unenforceable by statute, rule, regulation, decision of a tribunal, or otherwise, such finding shall not affect the validity or enforceability of the remainder of this Agreement.

22. AMENDMENTS
We shall have the right to amend this Agreement by modifying or rescinding any of its provisions (including without limitation, the Fee Schedule and Advisory Fees) or by adding new provisions; and any such modification, rescission, or new provision shall be effective as of the first day of the first calendar quarter beginning 30 days or more after we notify you, unless you terminate this Agreement prior to such effective date.

23. PRE-DISPUTE ARBITRATION AGREEMENT
Any controversy or dispute that may arise concerning the Account, any transaction in or for the Account, or the construction, performance or breach of this Agreement shall be settled by arbitration. Any arbitration shall be pursuant to the Commercial Arbitration Rules of the American Arbitration Association, and its Supplementary Procedures for Securities Arbitration; and the arbitration panel shall consist of at least three individuals, with at least one panelist having knowledge of investment advisory activities. Judgment upon the award may be entered into by any court, state, or federal, having jurisdiction.

The parties agree that any arbitration proceeding shall be held in Denver, Colorado, or as close thereto as reasonably possible, as determined by the Commercial Arbitration Rules of the American Arbitration Association, and its Supplementary Procedures for Securities Arbitration.

- Arbitration is final and binding on all parties.
- The parties are waiving their right to seek remedies in court, including the right to a jury trial, except to the extent such a waiver would violate applicable law.
- Pre-arbitration discovery is generally more limited than and different from court proceedings.
- The arbitrators’ award is not required to include factual findings or legal reasoning and any party’s right to appeal or seek modification of rulings by the arbitrators is strictly limited.
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action, or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (a) the class certification is denied; (b) the class is decertified; or (c) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated.

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• The agreement to arbitrate does not entitle Client to obtain arbitration of claims that would be barred by the relevant statute of limitations if such claims were brought in a court of competent jurisdiction. If at the time a demand for arbitration is made or an election or notice of intention to arbitrate is served, the claims sought to be arbitrated would have been barred by the relevant statute of limitations or other time bar, any party to this Agreement may assert the limitations as a bar to the arbitration by applying to any court of competent jurisdiction. Client expressly agrees that any issues relating to the application of a statute of limitations or other time bar are referable to such a court. The failure to assert such bar by application to a court, however, shall not preclude its assertion before the arbitrators.

24. MISCELLANEOUS

All paragraph headings are for convenience of reference only, do not form part of this Agreement, and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed an original, and shall be binding on the parties as if executed in one document.

25. THE EFFECTIVE DATE; THE PARTIES

Once this Agreement has been executed on behalf of Adviser and Client, the “Effective Date” shall occur on the earlier of (i) the date a fully executed counterpart of this Agreement is deemed to be received by the other party following mailing, facsimile transmission, deposit with national delivery service, or electronic transmission by the last party to execute this Agreement, pursuant to paragraph 17; (ii) the date the last party to execute this Agreement otherwise communicates acceptance of this Agreement to the other party (which may be oral); or (iii) the date Advisor begins to provide advisory services pursuant to this Agreement.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK – SIGNATURE PAGE FOLLOWS]
SIGNATURE PAGE

CLIENT ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT, INCLUDING THE PRE-DISPUTE ARBITRATION CLAUSE AT PARAGRAPH 23 BEGINNING ON PAGE 11.

Each person executing this Agreement on behalf of Client acknowledges they have received, read, and understand this Agreement and the Program.

CLIENT:

_________________________________________
Client Signature

_________________________________________
Name (Print)

_________________________________________
Title or Capacity

_________________________________________
Taxpayer Identification Number

1700 Lincoln Street, STE 2000
Street Address

Denver            CO     80203
City             State     ZIP

Date of Execution: _____/_____/

EHLERS INVESTMENT PARTNERS, LLC
3060 Centre Pointe Dr
Roseville, MN  55113

By:  ____________________________________________
    Brian Reilly, President

Date of Execution: _____/_____/

NAME OF REPRESENTATIVE:

Ryan Miles

NAME OF INITIAL CUSTODIAN:

__________________________

Email Address for Electronic Communications:

By providing an Email Address above, Client consents to the terms of paragraph 18 of the Advisory Agreement and the accompanying TERMS AND CONDITIONS FOR ELECTRONIC DELIVERY, and agrees that Advisor may, but is not required to, deliver Electronic Communications to Client at or through the Email Address for all accounts Client establishes with Advisor, until such consent is revoked, as provided in the Advisory Agreement.

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4700 S Syracuse Street Suite 860
Denver, CO 80237
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Waukesha, WI  53188
Office: (262) 796-6164 • Fax: (262) 785-1810

Rev. 2016-0601
EXHIBIT TO INVESTMENT ADVISORY AGREEMENT
TERMS AND CONDITIONS FOR ELECTRONIC DELIVERY

(Except as provided below, terms used in this Exhibit have the same meanings as provided in the Advisory Agreement to which this Exhibit is an exhibit.)

Client agrees Advisor may deliver Electronic Communications to Client using any method or technology now or hereafter permissible pursuant to rules or guidance of the Securities and Exchange Commission or its Staff. This currently includes using any of the following:

**Email:** Advisor may send an electronic mail message (“email”) to the email address designated by Client in the Advisory Agreement or in any separate communication from Client to Advisor (the “Email Address”), and Advisor may attach Electronic Communications to the email or may include in the email a hypertext link with the Internet address (URL) where the Electronic Communication can be accessed, or

**Website Communications:** Advisor may notify Client, by paper document or by an email sent to the Email Address, that an Electronic Communication is available for electronic delivery (download) from a Website identified in such notice, and will provide instructions explaining the delivery process. Client may be required to establish an account, UserID, and password to access or download the Electronic Communication.

Client acknowledges that technical or other problems may result in Client not receiving Electronic Communications from Advisor. Client agrees that if a hypertext link to an Electronic Communication does not work or if Client is otherwise unable to access or download an Electronic Communication, Client will notify Advisor in writing at the Notice Address and request a paper copy of the Electronic Communication.

Client agrees to access and review promptly Electronic Communications sent to the E-Mail Address and, if applicable, through any account for Client on Advisor’s or a Custodian’s Website, to ensure Client is aware of time-sensitive information. Client agrees to notify Advisor, in writing (written or electronic), of any discrepancies within ten business days after Advisor sends an email or makes other Electronic Communication available to Client.

Each Electronic Communication (and the information therein) shall be deemed to be accurate and true unless Client notifies Advisor, in writing, of any discrepancy within such ten-day period. Client’s notices of discrepancies shall be sent to Advisor at the Notice Address and must include the name(s) of the account holder(s) of the Account to which such discrepancy pertains.

Client understands and agrees that Client is responsible for establishing and maintaining the Email Address and access to the Internet. Advisor is not responsible for Client’s access or lack of access to the Email Address or the Internet. It is Client’s obligation to notify Advisor of Client’s Email Address, and of any changes to or problems with the Email Address. Advisor may take up to ten business days to take action in response to Client’s notice of a change to or problems with the Email Address. All notices regarding the Email Address must be in writing and sent to Advisor at the Notice Address. Advisor will deliver paper copies of Electronic Communications in the event it becomes aware that the Email Address is not valid or accessible.

Client understands and agrees that Advisor may include Client’s personal financial information in Electronic Communications, even though there is a risk of disclosure to or receipt by unintended third parties. Advisor will implement reasonable precautions to ensure the integrity, confidentiality, and security of Electronic Communications. Client acknowledges that the Internet is not a secure communications network. Electronic Communications are not encrypted. If Client uses an email address provided by or through an employer or third-party, such employer or third-party, any of their employees, or other persons may have access to Client’s Electronic Communications. There is a risk that Electronic Communications may be delivered to an incorrect email address or intercepted by third parties. Unauthorized parties may access communications transmitted over the Internet.

After Advisor has sent or made an Electronic Communication available to Client, Client shall be responsible for maintaining the confidentiality of such Electronic Communication (and any personal financial information therein). Client is responsible for preventing unauthorized access to the Electronic Communications through Client’s computer and through unauthorized use of Client’s UserID or password. Advisor is not liable for unauthorized access to Electronic Communications, or Client’s personal financial information arising from or as a result of third parties obtaining access to Client’s computer, Client’s UserID or password, or the Email Address. Client agrees to notify Advisor immediately if Client suspects or becomes aware of any unauthorized access to Electronic Communications, or Client’s personal financial information.

Advisor will provide Electronic Communications free of charge. However, Client may incur costs to third parties (such as Internet Service Providers and email service providers) in connection with accessing the Internet, establishing and maintaining the Email Address, or downloading, printing or storing Electronic Communications.

Client is responsible for having any necessary hardware, software or other technology to access the Internet, the Email Address, and the Electronic Communications. To receive Electronic Communications, Client will need: a

Rev. 2016-0601
personal computer with appropriate browser software installed, such as Microsoft Internet Explorer© 9.0 or higher (available free of charge at www.microsoft.com) or equivalent, capable of accessing the Internet and viewing web pages; a connection to the Internet via an Internet Service Provider or similar facility; a monitor; and a valid and accessible Email Address. To retain Electronic Communications, Client will need a printer (for printed copies), or hard drive or other electronic storage device with sufficient free space to download and store the Electronic Communications. Client may download and save, or print the Electronic Communications. Client is solely responsible for performing such downloads, for storing and protecting downloaded Electronic Communications, and for the costs of printing paper copies. Electronic Communications may be formatted in Adobe Acrobat’s portable document format (“PDF”), hypertext mark-up language (“HTML”) or other file formats Advisor deems appropriate. In order to view or print documents provided in PDF, Client must obtain Adobe Acrobat Reader© 6.0 or higher, which is available free of charge at Adobe’s website (located at www.adobe.com) and install it on Client’s computer. If Advisor changes to a format other than HTML or PDF, it will provide reasonable advance notice of any new hardware and software requirements for accessing and retaining the information, and access to appropriate software and technical assistance, if necessary, with respect to such change.

Client agrees that Electronic Communications delivered to Client by any of the methods permitted under the Consent will be treated as having been delivered to Client when Advisor sends or makes the Electronic Communication available to Client, regardless of when Client actually accesses the Electronic Communication. Client may use email to deliver instructions or orders, to request or authorize any financial transaction, or to provide any notice that requires real-time communication or written authorization, whether required by law, rules of any exchange or regulatory body, or Advisor’s policies. However, any instruction, request, order, authorization, or notice sent by Client via e-mail may not be effective or processed by Advisor; and Advisor shall not be responsible for any loss or damage arising from or as a result of any such item not being effective or processed.
INTERGOVERNMENTAL AGREEMENT REGARDING DESIGN AND CONSTRUCTION OF THE AURORA HIGHLANDS PARKWAY

THIS INTERGOVERNMENTAL AGREEMENT REGARDING DESIGN AND CONSTRUCTION OF THE AURORA HIGHLANDS PARKWAY (this “Agreement”) is made and entered into the _____ day of _____________, 2020 (the “Effective Date”), by and between AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT, a political subdivision and quasi-municipal corporation of the State of Colorado (“AACMD”), and AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY, a political subdivision and body corporate of the State of Colorado formed pursuant to Section 43-4-601, et seq., C.R.S. (“ARTA”). ARTA and AACMD may be referred to collectively herein as the “Parties” and individually as a “Party.”

RECITALS

A. The Parties, as Colorado governmental entities, are constitutionally and statutorily empowered pursuant to Colo. Const., Article XIV, §18, and Sections 29-1-201, et seq., C.R.S., to cooperate or contract via intergovernmental agreement with one another to provide functions, services, or facilities authorized to each cooperating government.

B. ARTA was organized pursuant to the Intergovernmental Agreement Among the Board of County Commissioners of the County of Adams, the City of Aurora, and the Aerotropolis Area Coordinating Metropolitan District Establishing the Aerotropolis Regional Transportation Authority dated February 27, 2018 (the “Establishing Agreement”) for the general purposes of constructing, or causing to be constructed, a Regional Transportation System, as more particularly described in the Establishing Agreement and Exhibit A thereto (the “Regional Transportation System;” as used herein, the term “Regional Transportation System Improvements” shall mean any one or more individual components of the Regional Transportation System), consistent with the detailed phasing plan and budget attached to the Establishing Agreement as Exhibit D (as the same may be amended, the “Capital Plan”).

C. AACMD was originally organized on December 7, 2004, and its general purpose is to plan for, design, acquire, construct, install, relocate, redevelop, and finance certain public improvements as described in AACMD’s First Amended and Restated Service Plan approved by the City of Aurora on October 16, 2017, and to generally coordinate and support the provision of public improvements and services necessary for the development of The Aurora Highlands, a development located entirely within the boundaries of ARTA.

D. The Parties recognize that because AACMD is currently in the process of coordinating and supporting the provision of various public improvements within the boundaries of ARTA in furtherance of AACMD’s purposes, including but not limited to street and transportation improvements (the “AACMD Improvements”), which AACMD Improvements are to a degree generally related to and connected with the Regional Transportation System Improvements, it is in their mutual best interests to cooperate and collaborate where possible in the planning, design, construction and completion of certain AACMD Improvements and the Regional Transportation System Improvements to take advantage of practical efficiencies and potential cost savings as well as other benefits to both Parties and their respective residents,
E. The Parties previously entered into that certain Intergovernmental Agreement Regarding Project Management of the Design and Construction of the Aerotropolis Regional Transportation Authority Regional Transportation System dated May 22, 2019 (the “Project Management Agreement”), regarding the provision of project management services by AACMD related to the design, construction, and operation and maintenance of the Regional Transportation System Improvements (any capitalized terms used but not defined herein shall have the meanings set forth in the Project Management Agreement).

F. ARTA and AACMD have entered into that certain Master Service Agreement for Engineering Services with Schedio Group, LLC (the “Independent Engineer”) pursuant to which the Independent Engineer will, among other services, review and report to ARTA and AACMD regarding the costs funded by AACMD for the Regional Transportation System Improvements under the Project Management Agreement (the “Verified Costs”).

G. The Capital Plan includes the Regional Transportation System Improvement known and referred to as “The Aurora Highlands Parkway,” or the “TAH Parkway” (as used herein, the “TAH Parkway”), and the Capital Plan identifies the TAH Parkway as three separate segments with separately identified cost estimates and phasing as follows: Item F, E470 to Main Street (“Segment 1”); Item G, Main Street to Aura Blvd (“Segment 2”); and Item H, Aura Blvd to Powhaton (“Segment 3”).

H. As progress has been made on the Regional Transportation System consistent with the provisions of the Project Management Agreement, the Parties have determined that certain components of Segment 3 (the “Segment 3 Improvements”) must be completed prior to or simultaneous with certain other components of Segment 1 and Segment 2 in order to allow for the timely completion of the TAH Parkway, including Segment 1, Segment 2 and Segment 3 (collectively, the “TAH Parkway Improvements”).

I. ARTA issued special revenue bonds in 2019 (the “2019 ARTA Bonds”) to finance certain components of the design and construction of the Regional Transportation System consistent with the phasing set forth in the Capital Plan, including the total estimated amount of $6,614,784 to fund Segment 1 and Segment 2 (the “Available TAH Parkway Funds”), but ARTA did not anticipate the need to fund any portion of Segment 3 at that time and thus did not include in the 2019 ARTA Bonds sufficient funds to fund all of the TAH Parkway Improvements.

J. ARTA does not currently have adequate funds to fund the planning, design or construction of the all of the TAH Parkway Improvements; however, consistent with the phasing set forth in the Capital Plan, ARTA intends to pursue the issuance of additional bonds or other obligations in the future to finance the design and construction of the next phase of Regional Transportation System Improvements, which next phase is expected to include the completion of all of the TAH Parkway Improvement (“Future ARTA Bonds”).
K. AACMD has adequate funds available and is willing to fund the planning, design and construction of the TAH Parkway Improvements as necessary beyond the Available TAH Parkway Funds on the condition that such funds are reimbursed to AACMD by ARTA pursuant to the terms and conditions of this Agreement.

L. The Parties have determined it to be in their mutual best interests and the interests of their respective constituents and taxpayers to provide for the completion of the TAH Parkway Improvements as set forth herein in order to facilitate the timely completion of Segment 1, Segment 2 and Segment 3 specifically, and the Regional Transportation System and the AACMD Improvements generally.

M. ARTA and AACMD desire to enter into this Agreement to set forth their understanding regarding AACMD’s funding of the planning, design and construction of the TAH Parkway Improvements and the terms for reimbursement of AACMD by ARTA for the same, together with such other matters as are hereinafter set forth.

**AGREEMENT**

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ARTA and AACMD agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated in this Agreement as if fully set forth herein.

2. **Funding and Completion of the TAH Improvements.** AACMD agrees it will advance on ARTA’s behalf any and all funds reasonably necessary to plan, design and construct the TAH Parkway Improvements beyond the Available TAH Parkway Funds (the “TAH Parkway Advances”), which Available TAH Parkway Funds the Parties agree is $6,614,784, and AACMD will plan, design and construct the TAH Improvements, including the Segment 3 Improvements, consistent with the provisions of the Project Management Agreement. The Parties further agree that in planning, designing and completing the Segment 3 Improvements, for the limited purpose of facilitating the timely completion of Segment 1 and Segment 2 to the extent reasonably necessary, the Parties shall consider all components of Segment 1, Segment 2 and Segment 3 to be one Regional Transportation System Improvement and part of the Phase I Improvements as identified and defined in the Project Management Agreement; provided, AACMD shall not plan, design, construct or advance funds related to any components of Segment 3 that are not reasonably necessary to facilitate the timely completion of Segment 1 and/or Segment 2, it being the intent of the Parties that any such components of Segment 3 not necessary for facilitating the timely completion of Segment 1 and Segment 2 will be funded and completed at a later date consistent with the Establishing Agreement and the Project Management Agreement.

3. **Records; Progress Reports.** During the term of this Agreement, AACMD shall keep or cause to be kept accurate and current books and accounts in which are recorded all costs incurred by AACMD for the planning, design and completion of the TAH Parkway Improvements (“TAH Parkway Costs”). All TAH Parkway Costs shall be included in the Work
Costs reported by AACMD pursuant to the Project Management Agreement, submitted to the Independent Engineer for verification as Verified Costs, and included in Draw Requests consistent with the provisions of the Project Management Agreement up to the full amount of the Available TAH Parkway Funds. Once the full amount of the Available TAH Parkway Funds has been identified as Verified Costs and included in Draw Requests, AACMD shall begin to fund the TAH Parkway Improvements with TAH Parkway Advances, and any and all TAH Parkway Advances shall be recorded and kept separately from all other Verified Costs and shall not be included in any Draw Request submitted by AACMD pursuant to the Project Management Agreement until such time as ARTA has adequate funds to reimburse AACMD for the TAH Parkway Advances as further set forth herein. All AACMD books and records related to the Segment 3 Improvements and the TAH Parkway Advances shall be made available to ARTA at any time for review (upon reasonable prior written notice). AACMD shall include regular updates regarding the Segment 3 Improvements, TAH Parkway Improvements, TAH Parkway Costs, and TAH Parkway Advances in its regular Progress Reports provided pursuant to the Project Management Agreement.

4. Allocation of Total TAH Parkway Costs. In order to most efficiently and effectively account for, record and allocate the costs to complete the TAH Parkway (inclusive of Segment 1, Segment 2 and Segment 3) between the Parties, and to maintain consistency with the estimated and allocated costs as set forth in the Capital Plan, the Parties agree that all costs actually incurred to complete the planning, design and construction of the TAH Parkway Improvements, as well as any project savings related thereto, shall be allocated between the Parties as follows (the “TAH Parkway Allocation”):

   AACMD: 58%;
   ARTA: 42%.

All books, records, accounting and Draw Requests, including but not limited to any reimbursements for TAH Parkway Costs as set forth below, shall incorporate and be consistent with the TAH Parkway Allocation.

5. Reimbursement of AACMD.

5.1 AACMD understands and agrees that ARTA does not currently have sufficient appropriated funds to fund all of the TAH Parkway Improvements or to reimburse AACMD for costs associated with the TAH Parkway Advances expected to be advanced by AACMD hereunder. Subject to the availability of adequate funds and appropriation by the Board of Directors of ARTA, ARTA agrees to make payment to AACMD for all TAH Parkway Advances incurred by AACMD and verified as Verified Costs pursuant to the Project Management Agreement. The Parties further understand and agree that ARTA intends to issue the Future ARTA Bonds, in part in order to reimburse AACMD for the TAH Parkway Advances, and ARTA does not intend to issue the Future ARTA Bonds unless such issuance provides revenues sufficient to reimburse AACMD for the TAH Parkway Advances.
5.2 It is hereby agreed and acknowledged that this Agreement evidences an intent to reimburse AACMD hereunder, but that this Agreement shall not constitute a debt or indebtedness of ARTA within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year financial obligation, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by ARTA. ARTA may make payment on the amounts due hereunder out of any available revenues. Nothing herein shall be deemed or construed to create a “contract” or “other obligation” within the meaning of Section 5.02 of the Establishing Agreement.

5.3 The amounts due hereunder shall not accrue interest and are payable at any time without prepayment penalty.

5.4 By acceptance of this Agreement, AACMD agrees and consents to all of the limitations in respect of the payment of the principal and interest due hereunder.

5.5 Upon the availability and appropriation by the Board of Directors of ARTA of funds adequate to reimburse the TAH Parkway Advances incurred by AACMD and verified as Verified Costs pursuant to the Project Management Agreement, ARTA shall provide written notice of such availability and appropriation to AACMD. AACMD shall thereafter include such TAH Parkway Advances in a Draw Request pursuant to the Project Management Agreement for reimbursement by ARTA.

6. Project Implementation. AACMD shall coordinate, administer and oversee the Segment 3 Improvements consistent and in compliance with the provisions of the Project Management Agreement as though the Segment 3 Improvements are a component of the Phase I Improvements as set forth in the Project Management Agreement.

7. Dispute Resolution. In the event either of the Parties reasonably objects in whole or in part to the other Party’s performance of its duties pursuant to this Agreement or to any other matter related to the provisions of this Agreement, expressly excluding any material breach or default, the Parties agree they shall use commercially reasonable efforts to meet and confer in good faith to resolve such reasonable objection as soon as practicable, including but not limited by engaging in third party mediation or engaging in some other form of mutually agreed upon alternative dispute resolution. If, despite their commercially reasonable and good faith efforts, the Parties are unable to resolve any such reasonable objection within thirty-five (35) days after the date that such reasonable objection has been received, the Parties may seek any remedies available pursuant to this Agreement.

8. Covenant of Good Faith and Fair Dealing. The Parties agree to act in good faith in dealing with one another, carrying out their responsibilities, and performing their obligations pursuant to this Agreement. Each Party hereby covenants to the other that it shall not undermine the rights or obligations of the other Party hereto with respect to the Agreement and it will cooperate with the other in achieving the purposes of this Agreement.

9. Default/Remedies. In the event of a material breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available at law
or in equity after the provision of thirty-five (35) days prior written notice of the alleged breach or default to the other Party. In the event of any litigation, arbitration or other proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall obtain as part of its judgment or award its reasonable attorneys’ fees.

10. Notices and Communications. All notices, statements, demands, requirements, approvals or other communications and documents ("Communications") required or permitted to be given, served, or delivered by or to any Party or any intended recipient under this Agreement shall be in writing and shall be given to the applicable address set forth below ("Notice Address"). Communications to a Party shall be deemed to have been duly given (i) on the date and at the time of delivery if delivered personally to the Party to whom notice is given at such Party’s Notice Address; or (ii) on the date and at the time of delivery or refusal of acceptance of delivery if delivered or attempted to be delivered by an overnight courier service to the Party to whom notice is given at such Party’s Notice Address; or (iii) on the date of delivery or attempted delivery shown on the return receipt if mailed to the Party to whom notice is to be given by first-class mail, sent by registered or certified mail, return receipt requested, postage prepaid and properly addressed to such Party at such Party’s Notice Address; or (iv) on the date and at the time shown on the facsimile or electronic mail message if telecopied or sent electronically to the number or address designated in such Party’s Notice Address and receipt of such telecopy or electronic mail message is electronically confirmed. The Notice Addresses for each Party are as follows:

If to ARTA:

Aerotropolis Regional Transportation Authority  
e/o CliftonLarsonAllen LLP  
Attention: Bob Blodgett  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, Colorado 80111  
Phone: (303) 779-4525  
Fax: (303) 773-2050  
Email: Bob.Blodgett@claconnect.com

With copies to:

Spencer Fane LLP  
Attention: Tom George  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203  
Phone: (303) 839-3800  
Fax: (303) 839-3838  
Email: tgeorge@spencerfane.com
If to AACMD: Aerotropolis Area Coordinating Metropolitan District
c/o CliftonLarsonAllen LLP
Attention: Anna Jones
8390 E. Crescent Parkway, Suite 300
Greenwood Village, Colorado 80111
Phone: (303) 779-4525
Fax: (303) 773-2050
Email: anna.jones@claconnect.com

With copies to: McGeady Becher P.C.
Attention: MaryAnn M. McGeady and Elisabeth Cortese
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203
Phone: (303) 592-4380
Fax: (303) 592-4385
Email: mmcgeady@specialdistrictlaw.com
ecourtese@specialdistrictlaw.com

11. Further Acts. Each of the Parties hereto shall execute and deliver all such
documents and perform all such acts as reasonably necessary, from time to time, to carry out the
matters contemplated by this Agreement.

12. Termination of this Agreement. This Agreement shall terminate in its entirety
upon the reimbursement to AACMD by ARTA of all amounts owed hereunder.

13. Amendment; Headings for Convenience Only; Not to be Construed Against
Drafter; No Implied Waiver. No amendment, change or addition is to be made to this Agreement
except by written amendment executed by ARTA and AACMD. The headings, captions and
titles contained in this Agreement are intended for convenience of reference only and are of no
meaning in the interpretation or effect of this Agreement. This Agreement shall not be construed
more strictly against one (1) Party than another merely by virtue of the fact that it may have been
initially drafted by one (1) of the Parties or its counsel, since all Parties have contributed
substantially and materially to the preparation hereof. No failure by a Party to insist upon the
strict performance of any term, covenant or provision contained in this Agreement, no failure by
a Party to exercise any right or remedy under this Agreement, and no acceptance of full or partial
payment owed to a Party during the continuance of any default by the other Party(ies), shall
constitute a waiver of any such term, covenant or provision, or a waiver of any such right or
remedy, or a waiver of any such default unless such waiver is made in writing by the Party to be
bound thereby. Any waiver of a breach of a term or a condition of this Agreement shall not
prevent a subsequent act, which would have originally constituted a default under this
Agreement, from having all the force and effect of a default.

14. Governing Law; Venue. This Agreement is entered into in Colorado and shall be
construed and interpreted under the law of the State of Colorado without giving effect to
principles of conflicts of law which would result in the application of any law other than the law
of the State of Colorado. Any legal dispute arising hereunder shall be tried and heard in the District Court for the County of Adams, State of Colorado.

15. **Severability.** If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement and shall not affect the enforceability of the remaining provisions of this Agreement.

16. **Assignment; Binding Effect.** Except as expressly permitted under this Agreement, none of the Parties hereto may assign any of their rights or obligations under this Agreement without the prior written consent of the other Party, which consent may be withheld in each Party’s sole and absolute discretion. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their permitted assigns.

17. **Counterparts; Copies of Signatures.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. The signature pages from one (1) or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all Parties may be physically attached to a single document. This Agreement may be executed and delivered by facsimile or by electronic mail in portable document format (.pdf) or similar means and delivery of the signature page by such method will be deemed to have the same effect as if the original signature had been delivered to the other Party.

18. **Time of the Essence.** Time is of the essence for performance or satisfaction of all requirements, conditions, or other provisions of this Agreement, subject to any specific time extensions set forth herein.

19. **Computation of Time Periods.** All time periods referred to in this Agreement shall include all Saturdays, Sundays and holidays, unless the period of time specifies business days. If the date to perform any act or give a notice with respect to this Agreement shall fall on a Saturday, Sunday or national holiday, the act or notice may be timely performed on the next succeeding day which is not a Saturday, Sunday or a national holiday.

20. **No Waiver of Governmental Immunity.** Notwithstanding any provision of this Agreement to the contrary, nothing in this Agreement shall be deemed a waiver of any protections afforded AACMD or ARTA pursuant to Colorado law, including, but not limited to, the Colorado Governmental Immunity Act.

21. **No Partnership or Joint Venture; Contractors and Agents.** The Parties to this Agreement are not partners or joint venturers with each other and nothing herein shall be construed to make them partners or joint venturers or impose any liability as such on either of them.

22. **Third Party Beneficiaries.** Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or to give to any person or entity other than AACMD and ARTA any right, remedy, or claim under or by reason of this Agreement or any
covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and any and all provisions in this Agreement by and on behalf of AACMD and ARTA shall be for the sole and exclusive benefit of AACMD and ARTA. It is the express intention of the Parties that any person other than the Parties shall be deemed to be an incidental beneficiary only.

23. **No Personal Liability.** No elected official, director, officer, agent or employee of either Party shall be charged personally or held contractually liable by or under any term or provision of this Agreement or because of any breach thereof or because of its or their execution, approval or attempted execution of this Agreement.

[SIGNATURE PAGE FOLLOWS]
IN WITNESS WHEREOF, the Parties have executed this Intergovernmental Agreement Regarding Design and Construction of The Aurora Highlands Parkway as of the Effective Date first set forth above.

AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY, a political subdivision and body corporate of the State of Colorado formed pursuant to C.R.S. Section 43-4-601

By: ________________________________
Name: Dave Gruber
Title: Vice-Chairperson

AEROTROPOLIS AREA COORDINATING METROPOLITAN DISTRICT, a political subdivision and quasi-municipal corporation of the State of Colorado

By: ________________________________
Name: Matthew Hopper
Title: President