AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT
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YEAR ENDED DECEMBER 31, 2023

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Independent Auditors' Report

To the Board of Directors
Auto Mall and Retail PID

Opinion
We have audited the accompanying financial statements of the governmental activities and the major funds of Auto Mall and Retail PID (the District) as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Auto Mall and Retail PID, as of December 31, 2023 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, 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 required supplementary information 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Auto Mall and Retail PID's financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

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

Other Information

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2025, on our consideration of Auto Mall and Retail PID's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Auto Mall and Retail PID's internal control over financial reporting and compliance.

Haynie & Company

Littleton, Colorado
June 9, 2025

The management of Auto Mall & Retail Public Infrastructure District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023.

The Management Discussion and Analysis (MD&A) focuses on the presentation of the financial statements and the related activities in two distinct ways: 1) the review of government-wide financials that reflect the overall assets and activity of the government including the District's capital assets and long term debt obligations, and 2) the more traditional view of the governmental funds that have been established to account for specific activities of the District.

This MD&A will provide a quick look at the highlights of each of these presentations, a more definitive view of what comprises each of these presentations, and a more detailed analysis of each of the presentations, key components and the changes that occurred during 2023.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Government-Wide Statements

The government-wide statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the District's overall financial status. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between these 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 District is improving or deteriorating.

The statement of activities presents information showing how the government'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 flow in future fiscal periods.

The basic government-wide financial statements can be found on pages 1-2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- *Governmental funds*: The District's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds – general, debt service, and capital projects – all of which are considered to be major funds.

The District adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided for the general fund in the basic financial statements to demonstrate compliance with the budget.

The basic governmental fund financial statements and reconciliation to the government-wide financial statements can be found on pages 3-6 of this report.

Financial Highlights

Government-wide financial statement highlights include:

- The combined liabilities of the District exceeded its assets at the close of the most recent fiscal year by $462,364 (net position). $280,199 of net position is restricted for capital projects and the remaining $(742,563) is considered unrestricted.

- The District's non-current long-term liabilities total $16,005,993:
  - The District issued bonds in the current year in the par amount of $16,101,947. A principal payment was made on the bonds at closing in the amount of $234,290.
  - The District reported a developer advance obligation of $2,433 which was received in 2024 to pay the District's accounts payable at the end of the year.

- The government's total net position decreased $462,364 under the full accrual method:
  - As 2023 was the first year of operations for the District, activity was limited. The only revenue recognized in 2023 was interest income in the amount of $327,212. General government expenses represent administrative expenses incurred after the District issued its Bonds. Interest on Long-Term Debt and Related Costs represent the issuance costs incurred in connection with the bond issuance and the amount of interest that accrued on the Bonds from the closing date of May 2, 2023 through December 31, 2023.

Fund financial statement highlights include:

- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $11,628,416, of which all was considered restricted.
- They are comprised of:
  - During 2023, the General Fund received $10,750 in other financing sources, offset with $10,750 in expenditures; thereby, the net increase in fund balance for the year was $0, resulting in an ending fund balance of $0.
  - The Debt Service Fund has an ending fund balance of $1,439,173, which is restricted for future debt service payments. This amount represents a transfer received from the Capital Projects Fund for $1,634,795 which was funded from the issuance of the Bonds and established a capitalized interest fund and surplus fund restricted for the Bonds, interest income earned on those funds, and the mandatory redemption on the Bonds including interest totaling $234,318.
  - The Capital Projects Fund has an ending fund balance of $10,189,243 and is restricted to future capital outlay. Bond proceeds were received in the amount of $16,101,947, $642,895 of bond issuance costs were expended, and $1,643,112 was transferred to the Debt Service Fund and General Fund. $288,516 in interest was earned and $3,915,213 of capital outlay was expended.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds – general, debt service, and capital projects – all of which are considered to be major funds.

The District adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided for the general and special revenue funds in the basic financial statements to demonstrate compliance with the budget.

The basic governmental fund financial statements and reconciliation to the government-wide financial statements can be found on pages 3-8 of this report.

Notes to 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 financial statements can be found on pages 7-18 of this report.

Supplementary information. The supplementary information provided in this report after the basic financial statements includes a schedule of revenues, expenditures, and changes in fund balances, budget and actual comparison, for the debt service fund and capital projects fund. These schedules can be found on pages 20-21 of this report.

Governmental Activities Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by $462,364 at the close of the most recent fiscal year.

	Governmental Activities		
	2023	2022	Increase (Decrease)
Assets			
Current and Other Assets	$ 11,630,849	$ -	$ 11,630,849
Capital Assets	3,915,213	-	3,915,213
Total Assets	15,546,062	-	15,546,062
Liabilities			
Current and Other Liabilities	2,433	-	2,433
Long-Term Liabilities	16,005,993	-	16,005,993
Total Liabilities	16,008,426	-	16,008,426
Net Position			
Restricted	280,199	-	280,199
Unrestricted	(742,563)	-	(742,563)
Total Net Position	$ (462,364)	$ -	$ (462,364)

The District has a net position in the amount of $(462,364). This negative net position is primarily a result of the district expending a portion of its bond proceeds to pay for the bond issuance costs.

	Governmental Activities		
	2023	2022	Increase (Decrease)
Revenues			
General Revenues:			
Investment Income	$ 327,212	$ -	$ 327,212
Total Revenues	327,212	-	327,212
Expenses			
General Government	10,750	-	10,750
Interest and Related Costs on Long-Term Debt	778,826	-	778,826
Total Expenses	789,576	-	789,576
CHANGE IN NET POSITION	(462,364)	-	(462,364)
Net Position - Beginning of Year	-	-	-
NET POSITION - END OF YEAR	$ (462,364)	$ -	$ (462,364)

The District's net position decreased by $462,364 during the current fiscal year. The District had limited financial activity in 2023. Expenses totaled $789,576 and revenues totaled $327,212.

Governmental Funds Financial Analysis

As noted earlier, the District used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $11,628,416, all of which constitutes a restricted fund balance, which is available for spending at the government's discretion within the parameters established for each fund.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, an unassigned fund balance of $0. Minimal expenditures were incurred following the bond closing and all expenditures were paid from project funds and from receipt of developer advances in 2024.

The Debt Service Fund is used for future debt service payments. At the end of the year, a restricted fund balance of $1,439,173 was held in the fund.

The Capital Projects Fund is used for future construction of infrastructure and other capital-related activities. At the end of the year, a restricted fund balance of $10,189,243 was held in the fund.

General Fund Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sales of assets and debt repayments, as well as capital outlay. This budgetary accounting is required by State statutes.

Debt Administration

During 2023, the District issued Series 2023A(2) Limited Tax General Obligation Convertible Capital Appreciation Bonds in the original par amount of $14,001,946.70 and a value at conversion of $18,700,000. The bonds bear interest at 8.250% and are payable beginning March 1, 2024. The Districtt also issued Series 2023B(2) Subordinate Limited Tax General Obligation Bonds in the par amount of $2,100,000. The bonds bear interest at 9.750% and are payable to the extent of available pledged revenues beginning March 15, 2024. The purpose of the Bonds were to finance capital projects costs benefitting the Herriman Auto Mall development.

Additional information on the District's long-term obligations can be found within Note 4 of this report.

Next Year's Budget and Rates

The District has appropriated $50,000 in the General Fund, $7,000 in the Debt Service Fund, and $10,063,766 in the Capital Projects Fund for spending in the 2024 fiscal year. It is intended that fund balance plus developer advances will be sufficient to cover these expenditures.

Request for Information

Management's discussion and analysis is designed to provide a general overview of the District's finances. Questions concerning any of the information provided within this report or requests for additional information should be addressed to:

District Accountant of Auto Mall & Retain Public Infrastructure District
6955 S Union Park Ave, Suite 300
Cottonwood Heights, UT 84047

BASIC FINANCIAL STATEMENTS

AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	$ 11,628,416
Developer Advance Receivable	2,433
Capital Assets:	
Capital Assets Not Being Depreciated	3,915,213
Total Assets	15,546,062
LIABILITIES	
Accounts Payable	2,433
Noncurrent Liabilities:	
Due in More Than One Year	16,005,993
Total Liabilities	16,008,426
NET POSITION	
Capital Projects	280,199
Unrestricted	(742,563)
Total Net Position	$ (462,364)

See accompanying Notes to Basic Financial Statements.

AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 10,750	$ -	$ -	$ -	$ (10,750)
Interest on Long-Term Debt and Related Costs	778,826	-	-	-	(778,826)
Total Governmental Activities	$ 789,576	$ -	$ -	$ -	(789,576)
GENERAL REVENUES					
Interest Income					327,212
Total General Revenues and Transfers					327,212
CHANGES IN NET POSITION					(462,364)
Net Position - Beginning of Year					-
NET POSITION - END OF YEAR					$ (462,364)

See accompanying Notes to Basic Financial Statements.

AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	$ -	$ 1,439,173	$ 10,189,243	11,628,416
Developer Advance Receivable	2,433	-	-	2,433
Total Assets	$ 2,433	$ 1,439,173	$ 10,189,243	$ 11,630,849
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 2,433	$ -	$ -	$ 2,433
Total Liabilities	2,433	-	-	2,433
FUND BALANCES				
Restricted for:				
Debt Service	-	1,439,173	-	1,439,173
Capital Projects	-	-	10,189,243	10,189,243
Total Fund Balances	-	1,439,173	10,189,243	11,628,416
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,433	$ 1,439,173	$ 10,189,243	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				3,915,213
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Accrued Interest				(135,903)
Bonds Payable				(15,867,657)
Developer Advance Payable				(2,433)
Net Position of Governmental Activities				$ (462,364)

See accompanying Notes to Basic Financial Statements.

AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Interest Income	$ -	$ 38,696	$ 288,516	$ 327,212
Total Revenues	-	38,696	288,516	327,212
EXPENDITURES				
Current:				
Accounting	3,612	-	-	3,612
Insurance	4,991	-	-	4,991
Legal	2,147	-	-	2,147
Debt Service:				
Bond Principal	-	234,290	-	234,290
Capital Projects:				
Capital Outlay	-	-	3,915,213	3,915,213
Bond Issue Costs	-	-	642,895	642,895
Total Expenditures	10,750	234,318	4,558,108	4,803,176
EXCESS OF REVENUES UNDER EXPENDITURES	(10,750)	(195,622)	(4,269,592)	(4,475,964)
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	-	-	16,101,947	16,101,947
Developer Advance	2,433	-	-	2,433
Transfers In (Out)	8,317	1,634,795	(1,643,112)	-
Total Other Financing Sources	10,750	1,634,795	14,458,835	16,104,380
NET CHANGE IN FUND BALANCES	-	1,439,173	10,189,243	11,628,416
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	$ -	$ 1,439,173	$ 10,189,243	$ 11,628,416

See accompanying Notes to Basic Financial Statements.

AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Total Governmental Funds	$ 11,628,416
Amounts reported for governmental activities in the statement of activities are different because:	
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Loan Principal	234,290
Bond Issuance	(16,101,947)
Developer Advance	(2,433)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest Payable - Change in Liability	(135,903)
Changes in Net Position of Governmental Activities	$ (462,364)

See accompanying Notes to Basic Financial Statements.

AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budget Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	-	-	-
EXPENDITURES			
Accounting	18,000	3,612	14,388
Insurance	3,500	4,991	(1,491)
Legal	22,000	2,147	19,853
Miscellaneous	6,500	-	6,500
Total Expenditures	50,000	10,750	39,250
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(50,000)	(10,750)	39,250
OTHER FINANCING SOURCES (USES)			
Developer Advance	50,000	2,433	(47,567)
Transfers From Other Funds	-	8,317	8,317
Total Other Financing Sources (Uses)	50,000	10,750	(39,250)
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

On October 12, 2022, the City Council of Herriman City (the City), acting in its capacity as the creating authority for the Auto Mall & Retail Public Infrastructure District (the District), adopted a resolution creating the District. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the District on November 9, 2022, which was recorded in the real property records of the Wasatch County (the County) Recorder on November 23, 2022.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Budgets

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

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

Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain qualifying commercial paper, repurchase agreements and bankers' acceptances, and negotiable or nonnegotiable deposits of qualified depositories and the Utah Public Treasurers' Investment Fund. The Utah Public Treasurers' Investment Fund operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Investments for the District are reported at fair value determined on quoted market prices. Changes in the fair value of investments are recognized as a component of investment income.

Investments are carried at fair value.

Property Taxes

The County assesses, bills, collects, and distributes property taxes for all taxing jurisdictions within its boundaries, including cities, school districts, and special districts, in accordance with state law. Property taxes are collected on two types of assets: 1) personal property, which represents business assets other than real estate, and 2) real estate and improvements. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through a tax sale process that is conducted when property taxes have been delinquent for five years. Accordingly, no allowance for doubtful tax accounts is considered necessary. Property taxes become a lien against the property as of January 1 in the year in which taxes are due. Property valuation notices are mailed to property owners in July.

Property owners can appeal the assessed valuation no later than September 15. Tax notices are mailed to property owners on or before November 1. Payments are due November 30.

Property taxes due in November that are uncollected by the following March are reported as a property tax receivable on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are considered to be a deferred inflow of resources. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a monthly basis. Tax collections are recorded as funds held in trust until disbursement. The County adheres to the following procedures set forth by the Utah State Tax Commission:

January 1: Lien Date – All property appraised based upon situs and status as of this date (real and personal).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

May 22: County Assessor completes assessment roll and delivers roll to County Auditor with required signed statement.

June 22: All taxing entities with fiscal years ending in June adopt tentative budgets and proposed tax rates and report them to the County Auditor.

July 22: County Auditor prepares and mails Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners. Notice is to include date, time, and place of public budget hearings.

August 1: Taxing entities proposing judgment levies and tax increases are to advertise the tax increase and/or judgment levy, hold public hearings, adopt by resolution final budgets and tax rates, and report this information to the County Auditor.

September 15: Applications for appeal of locally assessed real property are due to the County's Board of Equalization. (Hearings are held and decisions made through October 1.)

September 30: Utah State Tax Commission approves certified and proposed tax rates for each taxing entity.

October 1: Calendar-year taxing entities notify County governing body of intent to increase property taxes for the next calendar year. Calendar-year taxing entities must meet statutory noticing requirements which include a public meeting fourteen or more days before the November election, mailings to property owners seven or more days before the November election, and a twice-advertised public hearing.

November 1: County Auditor delivers the equalized assessment roll to the County Treasurer with affidavit and charges the County Treasurer to account for all taxes levied. County Treasurer mails tax notices.

December 1: Unpaid taxes on real property become delinquent and penalty is applied.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and Investments - Restricted	$ 11,628,416
Total Cash and Investments	$ 11,628,416

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

Investments	$ 11,628,416
Total Cash and Investments	$ 11,628,416

Deposits with Financial Institutions

The District's deposit and investment activities are governed by the Utah Money Management Act (Utah Code, Title 51, Chapter 7). The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state of Utah, and review the rules adopted under the authority of the Utah Money Management Act that relate to the deposit and investment of public funds. The Utah Money Management Act requires deposits be in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government, and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

At December 31, 2023, the District had no cash deposits.

Investments

The State of Utah Money Management Council (the Council) has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds. The District follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. Statutes authorize the District to invest in: negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by United States government-sponsored enterprises (United States Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed-rate corporate obligations and variable-rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurers' Investment Fund.

Investments (Continued)

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Act. The Act established the Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah, and participants share proportionally in any realized gains or losses on investments.

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

Investment	Maturity	Amount
Fidelity Treasury Fund	Under 60 Days	$ 11,628,416
		$ 11,628,416

Fidelity Investments Money Market Treasury Portfolio – Class III

The money that is included in the trust accounts at UMB is invested in the Fidelity Money Market – Class III. This portfolio is a money market mutual fund which invests in cash , U.S. Treasury securities and/or repurchase agreements for those securities, which are fully guaranteed as to the principal and interest by the United States, with maturities of 12 months or less. The fund is rated AAAm by Standard & Poor's.

NOTE 4 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable:					
Limited Tax General Obligation Convertible Capital Appreciation Bonds					
Series 2023A(2)	$ -	$ 14,001,947	$ 199,290	$ 13,802,657	$ -
Subordinate Limited Tax General Obligation Bonds					
Series 2023B(2)	-	2,100,000	35,000	2,065,000	-
Accrued Interest					
Series 2023B(2)	-	135,903	-	135,903	-
Subtotal Bonds Payable	-	16,237,850	234,290	16,003,560	-
Other Debts:					
Developer Advance - Operating	-	2,433	-	2,433	-
Subtotal Other Debts	-	2,433	-	2,433	-
Total Long-Term Obligations	$ -	$ 16,240,283	$ 234,290	$ 16,005,993	$ -

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2023A(2) (the Senior Bonds)

Proceeds of the Senior Bonds

The District issued the Senior Bonds on May 2, 2023, in the amount of $14,001,946.70 (value at issuance) and $18,700,000 (value at maturity). The Bonds were issued to pay the Project Costs, fund the Reserve Fund and pay the costs of issuance of the Bonds.

Details of the Bonds

The 2023A(2) Senior Bonds will be issued as appreciation bonds that automatically convert to current interest bonds on March 1, 2027. Prior to conversion to current interest bonds, the 2023A(2) Senior Bonds do not pay current interest; instead they accrete in value at an annual yield equal to 8.250%. The accreted amount compounds annually on March 1, beginning on March 1, 2024, to and including March 1, 2027. Such accreted amount, together with the original principal amount of the Bonds, bears additional interest at the interest rate borne by the Bonds upon conversion to current interest bonds.

The accreted Bond principal balance at conversion on March 1, 2027, will be $18,700,000. The 2023A(2) Senior Bonds will accrete, compound and bear interest at a rate of 8.250%. Upon conversion to current interest bonds, interest is payable annually on March 1, commencing on March 1, 2028. Annual principal payments are due on March 1 of each year, beginning March 1, 2032 with a final maturity on March 1, 2053.

On and after conversion to current interest bonds, to the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such unpaid interest shall compound annually on each interest date (March 1) at the rate then borne by the Bond.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
June 1, 2028, to May 31, 2029	3.00%
June 1, 2029, to May 30, 2030	2.00
June 1, 2030, to May 30, 2031	1.00
June 1, 2031, and thereafter	0.00

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2023A(2) Senior Bonds Extraordinary Mandatory Redemption

Pursuant to the 2023A(2) Indenture, the 2023A(2) Senior Bonds are subject to Extraordinary Mandatory Redemption. As soon as practicable after the closing date of the 2023A(2) Senior Bonds (assumed to be May 5, 2023 in the forecast), money on deposit in the 2023A(2) Senior Bond Fund shall be used to redeem $199,289.70 of original principal amount, and accrued interest thereon, at a redemption price equal to one hundred percent of the principal amount of each Bond to be redeemed.

The forecast assumes any funds remaining after Extraordinary Mandatory Redemption will be applied to the 2023A(2) Senior Surplus Fund. The foregoing redemption corresponds to Pledged Revenues which were forecasted to be generated by an approximately 1.50 acre portion of a parcel which was withdrawn from the District after pricing of the Bonds.

Pledged Revenue

The Bonds are secured by and payable solely from the Pledged Revenue consisting of the following revenues: (a) all Senior Property Tax Revenues, (b) all Senior Pioneering Agreement Revenues, and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

Required Mill Levy

The 2023A(2) Indenture provides a Senior Required Mill Levy be imposed in an amount sufficient to pay the principal of and interest on the Bonds, but not in excess of .0100 per dollar of taxable value provided, however, that: for so long as the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy is shall be equal to .0100 per dollar of taxable value, or such lesser amount which, or such lesser amount which, if imposed by the District for collection in the current calendar year, after the deduction of the Administrative Expenses and Trustee Fees, would generate Senior Property Tax Revenues (a) sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable, and to fully fund the Surplus Fund to the Maximum Surplus Amount, or (b) which, when combined with the moneys then on deposit in the Senior Bond Fund and the Surplus Fund, will pay the 2023A(2) Senior Bonds in full in the year such levy is collected.

In the event of any statutory change in the methodology of assessment or collection of property taxes in a manner that reduces the Property Tax Revenues, the District may charge a rate sufficient to receive the amount of property taxes that the District would have received before the statutory change in order to pay the debt service on Outstanding Bonds.

Additional Security for the 2023A(2) Senior Bonds

The 2023A(2) Senior Bonds are additionally secured by the Reserve Fund which will be funded from proceeds of the 2023A(2) Senior Bonds in the amount of $1,400,194.67, and by amounts, if any, in the Surplus Fund which will not be funded from proceeds of the 2023A(2) Senior Bonds.

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2023A(2) Senior Surplus Fund

Senior Pledged Revenue that is not needed to pay debt service on the 2023A(2) Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of $1,870,000. The forecast anticipates the Surplus Fund will be drawn from in 2028, and can be filled to the Maximum Surplus Amount in 2030. The Surplus Fund is to be maintained until the Maturity Date, at which time such fund will be terminated and all amounts on deposit are to be released to the District for application to the payment of the 2023A(2) Senior Bonds.

The District has acknowledged that State Law places certain restrictions on the use of money derived from bond proceeds and the Required Mill Levies.

Subordinate Limited Tax General Obligation Bonds, Series 2023B(2) (the Subordinate Bonds)

The 2023B(2) Subordinate Bonds will be issued at the rate of 9.75% per annum and are payable annually on March 15, beginning March 15, 2024, but only to the extent of available Subordinate Pledged Revenue. The 2023B(2) Subordinate Bonds mature on March 15, 2053. The 2023B(2) Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to their maturity date. Unpaid interest on the 2023B(2) Subordinate Bonds compounds annually on each March 15. In the event any amounts due and owing on the 2023B(2) Subordinate Bonds remain outstanding on March 15, 2063, such amounts shall be extinguished and no longer be due and outstanding.

Optional Redemption

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2028, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
June 1, 2028, to May 31, 2029	3.00%
June 1, 2029, to May 30, 2030	2.00
June 1, 2030, to May 30, 2031	1.00
June 1, 2031, and thereafter	0.00

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

2023B(2) Subordinate Bonds Extraordinary Mandatory Redemption

Pursuant to the 2023B(2) Indenture, the 2023B(2) Subordinate Bonds are subject to Extraordinary Mandatory Redemption. As soon as practicable after the closing date of the 2023B(2) Subordinate Bonds (assumed to be May 5, 2023 in the forecast), money on deposit in the 2023B(2) Subordinate Bond Fund shall be used to redeem $35,000 of principal amount, and accrued interest thereon, at a redemption price equal to one hundred percent of the principal amount of each Bond to be redeemed.

The foregoing redemption corresponds to Pledged Revenues which were forecasted to be generated by an approximately 1.50 acre portion of a parcel which was withdrawn from the District after pricing of the Bonds.

Pledged Revenue

The Bonds are secured by and payable solely from the Pledged Revenue consisting of the following revenues: (a) all Subordinate Property Tax Revenues, (b) all Senior Subordinate Agreement Revenues, and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

NOTE 5 NET POSITION

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

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District has restricted net position for capital projects as of December 31, 2023 of $280,199.

The District has a deficit unrestricted net position. The deficit was primarily a result of the cost of issuance of bonds issued during the year.

NOTE 6 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

NOTE 7 INTERFUND TRANSFERS

The transfer from the Capital Projects Fund to the Debt Service Fund was for the purposes of establishing a Reserve Fund Series 2023A(2) Bonds that were funded by bond proceeds. The transfer from the Capital Projects Fund to the General Fund was for funding administrative costs of the District.

NOTE 8 RELATED PARTY

The developer of the property which constitutes the District is Herriman 73 Partners LLC, (the "Developer"), a Utah limited liability company. Certain members of Management are associated with or related to the Developer and may have conflicts of interest in dealing with the District.

Funding and Reimbursement Agreement

The District entered into the Funding and Reimbursement Agreement with the Developer. The Developer is willing to advance funds to the District, from time to time, on the condition that the District agrees to repay such advances. Both parties agree that the maximum loan amount will not exceed the aggregate of $200,000. The funds are to be loaned to the District in one or a series of installments (each a "Loan Advance") and are to be available to the District through December 31, 2028. The funds will be used for the District's general operating and administrative costs. The repayment of the advances is subject to annual appropriations by the District. The simple interest rate shall be 4% from the date of each advance. The term of repayment shall not exceed beyond 30 years from the date of this agreement.

As of December 31, 2023, $2,433 in principal was outstanding under this agreement.

Infrastructure Acquisition and Reimbursement Agreement

On March 30, 2023, the District entered into the Infrastructure Acquisition and Reimbursement Agreement with the Developer. This agreement establishes guidelines for evaluating any request from the Developer to accept costs which may be eligible for reimbursement under this agreement. Eligible District costs shall be certified by the District's accountant and engineer. The District shall reimburse the Developer within 30 days following the acceptance of the eligible District costs.

As of December 31, 2023, no amounts are outstanding under this agreement.

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

SUPPLEMENTARY INFORMATION

AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budget Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 10,000	$ 38,696	$ 28,696
Total Revenues	10,000	38,696	28,696
EXPENDITURES			
Bond Interest	-	28	(28)
Bond Principal	234,600	234,290	310
Total Expenditures	234,600	234,318	282
OTHER FINANCING SOURCES (USES)			
Transfers From Other Funds	1,634,795	1,634,795	-
Total Other Financing Sources	1,634,795	1,634,795	-
NET CHANGE IN FUND BALANCE	1,410,195	1,439,173	28,978
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ 1,410,195	$ 1,439,173	$ 28,978

AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023

	Budget Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	$ 15,000	$ 288,516	$ 273,516
Total Revenues	15,000	288,516	273,516
EXPENDITURES			
Capital Outlay	10,268,552	3,915,213	6,353,339
Bond Issue Costs	651,000	642,895	8,105
Total Expenditures	10,919,552	4,558,108	6,361,444
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,904,552)	(4,269,592)	6,634,960
OTHER FINANCING SOURCES (USES)			
Bond Issuance Proceeds	16,101,947	16,101,947	-
Transfers To Other Fund	(1,634,795)	(1,643,112)	(8,317)
Total Other Financing Sources (Uses)	14,467,152	14,458,835	(8,317)
NET CHANGE IN FUND BALANCE	3,562,600	10,189,243	6,626,643
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ 3,562,600	$ 10,189,243	$ 6,626,643

OTHER INFORMATION

AUTO MALL & RETAIL PUBLIC INFRASTRUCTURE DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023

$14,001,946.70 (Value at Issuance
$18,700,000 (Value at Conversion Date
Convertible Capital Appreciation Bonds
Series 2023A(2)
Dated May 2, 2023
Interest Rate Fixed 8.250%
Interest and Principal Payable March 1

Year Ending December 31,	Value at Issuance $14,001,946.70	Accretion	Accreted Value	Principal	Interest	Total
2024		$ 740,011	$ 14,741,958	$ -	$ -	$ -
2025		1,216,248	15,958,206	-	-	-
2026		1,316,480	17,274,686	-	-	-
2027		1,425,314	18,700,000	-	-	-
2028		-	-	-	1,542,750	1,542,750
2029		-	-	-	1,542,750	1,542,750
2030		-	-	-	1,542,750	1,542,750
2031		-	-	-	1,542,750	1,542,750
2032		-	-	30,000	1,542,750	1,572,750
2033		-	-	70,000	1,540,275	1,610,275
2034		-	-	105,000	1,534,500	1,639,500
2035		-	-	150,000	1,525,838	1,675,838
2036		-	-	195,000	1,513,463	1,708,463
2037		-	-	250,000	1,497,375	1,747,375
2038		-	-	300,000	1,476,750	1,776,750
2039		-	-	360,000	1,452,000	1,812,000
2040		-	-	430,000	1,422,300	1,852,300
2041		-	-	500,000	1,386,825	1,886,825
2042		-	-	585,000	1,345,575	1,930,575
2043		-	-	665,000	1,297,313	1,962,313
2044		-	-	765,000	1,242,450	2,007,450
2045		-	-	870,000	1,179,338	2,049,338
2046		-	-	985,000	1,107,563	2,092,563
2047		-	-	1,105,000	1,026,300	2,131,300
2048		-	-	1,245,000	935,138	2,180,138
2049		-	-	1,390,000	832,425	2,222,425
2050		-	-	1,550,000	717,750	2,267,750
2051		-	-	1,725,000	589,875	2,314,875
2052		-	-	1,920,000	447,563	2,367,563
2053		-	-	3,505,000	289,163	3,794,163
Total				$ 18,700,000	$ 32,073,529	$ 50,773,529

COMPLIANCE REPORTING

Haynie & Company
Certified Public Accountants & Management Consultants

1221 W. Mineral Avenue, Suite 202
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Auto Mall and Retail PID

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Auto Mall and Retail PID (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively the District's basic financial statements, and have issued our report thereon dated June 9, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Haynie & Company

Littleton, CO
June 9, 2025

Haynie & Company
Certified Public Accountants
& Management Consultants

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Independent Auditors' Report on Compliance and Report on Internal Control over Compliance As Required by the *State Compliance Audit Guide*

To the Board of Directors
Auto Mall and Retail PID

Report On Compliance

We have audited Auto Mall and Retail PID's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended December 31, 2023.

State compliance requirements were tested for the year ended December 31, 2023 in the following areas:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment

Opinion on Compliance

In our opinion, Auto Mall and Retail PID complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the State Compliance Audit Guide (Guide). Our responsibilities under those standards and the State Compliance Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Auto Mall and Retail PID and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Auto Mall and Retail PID's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Auto Mall and Retail PID's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Auto Mall and Retail PID's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Auto Mall and Retail PID's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Auto Mall and Retail PID's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Auto Mall and Retail PID's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of Auto Mall and Retail PID's internal control over compliance. Accordingly, no such opinion is expressed

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Haynie & Company

Littleton, CO
June 9, 2025

Auto Mall and Retail PID
Schedule of Findings and Recommendations
For the Year Ended December 31, 2023

To the Board of Directors
Auto Mall and Retail PID

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. During our audit of Auto Mall and Retail PID for the year ended December 31, 2023, we noted no areas needing material corrective action for the District to be in compliance with laws and regulations. These areas are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:
None noted

Significant Deficiencies:
None noted

COMPLIANCE AND OTHER MATTERS:

Compliance:
None noted

Haynie & Company

Littleton, CO
June 9, 2025