

ANNUAL INFORMATION REPORT
for the year 2020
HIGHLINE CROSSING METROPOLITAN DISTRICT

As required by Section VIII of the Service Plan for the above-referenced District, approved by the City of Aurora (“City”) on March 21, 2016, we present the following report of the District's activities from January 1, 2020 to December 31, 2020.

1. **Boundary changes made or proposed to the District’s boundaries as of December 31, 2020:**

There were no changes or proposed changes made to the District’s Boundaries as of December 31, 2020.

2. **Intergovernmental Agreements entered into or proposed with other governmental entities as of December 31, 2020:**

No new Intergovernmental Agreements were entered into by the District during 2020.

3. **Copies of the District’s rules and regulations, if any, promulgated or modified as of December 31, 2020:**

The District did not adopt rules and regulations in 2020.

4. **A summary of any litigation involving the District as of December 31, 2020:**

The District was not involved in any litigation during 2020.

5. **The status of the District’s construction of the District Improvements as of December 31, 2020:**

No improvements have been constructed by the District in 2020.

6. **A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31, 2020;**

There have been no facilities or improvements constructed by the District and accepted by the City in 2020.

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

The District’s 2020 Certification of Valuation by Arapahoe County Assessor was \$2,587,213 attached hereto as **Exhibit A**.

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

A copy of the 2021 budget is attached hereto as **Exhibit B**. No improvements are planned to be constructed by the District in 2021.

9. **An audit of the District's financial statements for the year ending December 31, 2019 prepared in accordance with generally accepted auditing standards or an audit exemption, if authorized by State law:**

A copy of the 2021 audit will be provided upon its completion.

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

None.

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

There has been no inability of the District to pay its obligations as they come due in accordance with the terms of such obligations, which continued beyond a (90) day period during 2020.

EXHIBIT A
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PK Kaiser, MBA, MS

Assessor

November 25, 2020

OFFICE OF THE ASSESSOR
5334 S. Prince Street
Littleton, CO 80120-1136
Phone: 303-795-4600
TDD: Relay-711
Fax: 303-797-1295

[HTTP://www.arapahoegov.com/assessor](http://www.arapahoegov.com/assessor)
assessor@arapahoegov.com

AUTH 4414 HIGHLINE CROSSING METRO
DISTRICT
C/O DAVID SOLIN
141 UNION BLVD SUITE 150
LAKEWOOD CO 80228

Code # 4414

CERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2020 of:

\$2,587,213

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

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

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

PK Kaiser, MBA, MS
Arapahoe County Assessor

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CERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: November 25, 2020

NAME OF TAX ENTITY: HIGHLINE CROSSING METRO DISTRICT

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

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2020:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	2,552,213
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	2,587,213
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	2,587,213
5. NEW CONSTRUCTION: *	5.	\$	8,387
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

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

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

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

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

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2020:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	35,620,338
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ADDITIONS TO TAXABLE REAL PROPERTY

2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	117,300
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	6,000

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

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

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

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

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0
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NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT B

HIGHLINE CROSSING METROPOLITAN DISTRICT

2021 BUDGET MESSAGE

Introduction

Highline Crossing Metropolitan District is a quasi-municipal corporation formed in 2016 governed pursuant to provisions set forth in the Colorado Special District Act. The District was organized to provide essential facilities for public use and benefit. The District consists of approximately 15.2 acres located entirely within the City of Aurora (the “City”).

The 2021 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2021 fiscal year based on available revenues. This budget provides for the annual debt service on the District’s general obligation debt as well as the general operation of the District.

The Board of Directors authorized adjustment of the District mill levy in accordance with the Colorado Constitution, Article X, Section 3 (the “Gallagher Adjustment”). The Gallagher Adjustment and the District’s Service Plan authorize an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2004, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property taxes commencing on and after January 1, 2017, and House Bill 19-255 setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%), for property taxes commencing on or after January 1, 2019, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property. The Gallagher Adjustment for the District allows for a total mill levy imposition, as noted in the following paragraph, so the District’s revenue is neither diminished nor enhanced.

The District’s 2020 assessed value increased to \$2,587,213 from \$2,552,213 the prior year. The District’s mill levy has been kept the same at 74.778 mills for tax collection in the 2021 fiscal year -- 18.000 mills dedicated to the General Fund, 1.114 mills dedicated to contractual obligations and 55.664 mills dedicated to the Debt Service Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget. The District’s General Fund is considered a Governmental Fund and is reported using the current financial resources and the modified accrual basis of accounting. The District’s Debt Fund and Capital Projects Fund are also reported using the current financial resources and the modified accrual basis of accounting. Revenues are recorded when earned and

expenses recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services and other expenses related to statutory operations of a local government. The General Fund’s primary sources of revenue are developer advances, transfer fees and property taxes.

The **Debt Service Fund** is used to account for property taxes and other revenues dedicated to pay the fiscal year’s debt expense which includes administrative costs associated with debt issues. The primary source of revenue is property tax. In 2017, the District entered into two general obligation bond indentures that provided funding for capital projects. Below is a summary of the District’s long-term debt obligation.

Bond Principal and Interest in the Year Ending December 31,	Highline Crossing Metropolitan District		
	2017A Senior Bonds, \$1,590,000 2017B Subordinate Bonds, \$336,000		
	Principal	Interest	Total
2021	15,000	116,424	131,424
2022	15,000	119,097	134,097
2023-2027	105,000	581,955	686,955
2028-2032	237,000	645,107	882,107
2033-2037	343,000	416,797	759,797
2038-2042	506,000	294,334	800,334
2043-2047	695,000	129,285	824,285
	<u>\$ 1,916,000</u>	<u>\$ 2,390,449</u>	<u>\$ 4,306,449</u>

The **Capital Projects Fund** is used to account for revenues and expenditures to complete capital projects such as new improvements and upgrades to existing infrastructure.

Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

HIGHLINE CROSSING METROPOLITAN DISTRICT
Assessed Value, Property Tax and Mill Levy Information

	2019 Actual	2020 Adopted Budget	2021 Adopted Budget
Assessed Valuation	\$ 1,578,497	\$ 2,552,213	\$ 2,587,213
Mill Levy			
General Fund	14.000	18.000	18.000
ARI	1.106	1.114	1.114
Debt Service Fund	55.277	55.664	55.664
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Total Mill Levy	<u>70.383</u>	<u>74.778</u>	<u>74.778</u>
Property Taxes			
General Fund	\$ 22,099	\$ 45,940	\$ 46,570
ARI	1,746	2,843	2,882
Debt Service Fund	87,255	142,066	144,015
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
Actual/Budgeted Property Taxes	<u>\$ 111,100</u>	<u>\$ 190,849</u>	<u>\$ 193,467</u>

HIGHLINE CROSSING METROPOLITAN DISTRICT

GENERAL FUND
2021 Adopted Budget
with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
BEGINNING FUND BALANCE	\$ 12,259	\$ 15,203	\$ 5,391	\$ 19,705
REVENUE				
Property Tax Revenue	22,099	45,940	45,940	46,570
Specific Ownership Taxes	1,733	2,756	2,400	2,750
Developer Advance	44,427	25,000	25,000	-
Interest Income	47	200	45	15
Transfer fee	900	200	1,200	200
Operations Fee	37,455	50,400	50,490	50,490
Design Review Fees	400	250	100	50
Miscellaneous Income	-	-	-	-
Total Revenue	107,060	124,746	125,175	100,075
Total Funds Available	119,319	139,949	130,566	119,780
EXPENDITURES				
Accounting	11,730	10,000	10,000	10,000
Audit	5,284	5,000	5,000	6,000
Director's Fees	-	-	-	-
Insurance/SDA Dues	4,837	3,700	8,600	8,800
Legal	8,802	7,500	7,500	7,000
Election	56	1,500	1,046	-
Management	10,715	10,000	10,000	9,000
Miscellaneous	2,506	1,000	2,750	1,000
Treasurer's Fees	332	689	689	699
Covenant Control	10,800	10,800	10,800	7,200
Billing	3,400	4,500	4,000	4,000
Landscape Maintenance	16,878	16,000	16,000	16,000
Landscape Improvements	-	3,000	3,400	3,500
Irrigation Repair	4,553	5,000	5,715	5,000
Snow Removal	23,765	20,000	10,000	15,000
Detention Pond Maintenance	-	3,000	-	1,400
Operations and Maint Reserve	-	5,000	-	2,000
Repairs and Maintenance	-	2,000	1,361	2,000
Fence Repairs	-	2,000	-	2,000
Utilities	10,271	10,000	14,000	14,000
Contingency	-	5,000	-	-
Total Expenditures	113,928	125,689	110,861	114,598
Transfers and Other Uses				
Emergency Reserve	-	3,742	-	3,002
Transfer to Capital Projects	-	-	-	-
Total Transfers and Other Uses	-	3,742	-	3,002
Total Expenditures Requiring Appropriation	113,928	129,431	110,861	117,601
ENDING FUND BALANCE	\$ 5,391	\$ 10,518	\$ 19,705	\$ 2,179

HIGHLINE CROSSING METROPOLITAN DISTRICT

DEBT SERVICE FUND

2021 Adopted Budget

with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
BEGINNING FUND BALANCE	\$ 252,643	\$ 352,048	\$ 260,593	\$ 306,557
REVENUE				
Property Tax Revenue	87,255	142,066	142,066	144,015
Regional Improvement	1,746	2,843	2,843	2,882
Specific Ownership Tax	6,977	5,000	7,600	7,600
Interest Income/Other	4,589	5,000	1,500	1,000
Transfer From Capital Projects Fund	3,854	-	-	-
Total Revenue	104,421	154,909	154,009	155,497
Total Funds Available	357,064	506,957	414,602	462,055
EXPENDITURES				
Bond Principal	-	10,000	10,000	15,000
Bond Interest	87,450	87,450	87,450	86,900
Paying Agent Fees	5,614	5,500	5,500	5,500
Miscellaneous Expense	-	-	120	250
Treasurer's Fees	1,311	2,174	2,174	2,203
Aurora Expense	2,068	2,801	2,801	2,839
Treasurer Fee- Reg Imp	26	-	-	-
Contingency	-	10,000	-	10,000
Total Expenditures	96,471	117,924	108,045	122,692
Total Expenditures Requiring Appropriation	96,471	117,924	108,045	122,692
ENDING FUND BALANCE	\$ 260,593	\$ 389,033	\$ 306,557	\$ 339,362

HIGHLINE CROSSING METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2021 Adopted Budget
with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated

	2019 YTD Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
BEGINNING FUND BALANCE	\$ 3,854	\$ -	\$ -	\$ -
REVENUE				
Interest and Other Income	-	-	-	-
Transfer from General Fund	-	-	-	-
Bond Proceeds - Senior	-	-	-	-
Bond Proceeds - Subordinate	-	-	-	-
Total Revenue	-	-	-	-
Total Funds Available	3,854	-	-	-
EXPENDITURES				
Bond Issuance Costs	-	-	-	-
Legal	-	-	-	-
Management	-	-	-	-
Miscellaneous	-	-	-	-
Engineering	-	-	-	-
Contingency	-	-	-	-
Total Expenditures	-	-	-	-
Transfers and Other Uses				
Transfer to Debt Service Fund	3,854	-	-	-
Developer reimbursement	-	-	-	-
Total Transfers and Other Uses	3,854	-	-	-
Total Expenditures Requiring Appropriation	3,854	-	-	-
ENDING FUND BALANCE	\$ (0)	\$ -	\$ -	\$ -