

RESOLUTION NO. 2022- 11 - 02

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE HIGHLINE CROSSING METROPOLITAN DISTRICT
TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Highline Crossing Metropolitan District (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 21, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Highline Crossing Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Highline Crossing Metropolitan District for the 2023 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 21st day of November, 2022.

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a horizontal line and a short vertical stroke.

Secretary

EXHIBIT A
(Budget)

HIGHLINE CROSSING METROPOLITAN DISTRICT

2023 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 2023 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2023 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 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. Senate Bill 21-293 further reduced the assessment ratio for real residential property to 6.95% for property tax years commencing on January 1, 2022 and January 1, 2023. The Service Plan 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 2022 assessed value decreased to \$2,759,220 from \$2,809,048 the prior year. The District’s mill levy is 76.412 mills for tax collection in the 2023 fiscal year -- 18.000 mills dedicated to the General Fund, 1.146 mills dedicated to contractual obligations and 57.266 mills dedicated to the Debt Service Fund. The increase in the contractual obligation and Debt Service Fund mill levies is solely to maintain revenue neutrality as a result of Senate Bill 21-293.

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.

Highline Crossing Metropolitan District			
Bond Principal and Interest in the Year Ending December 31,	2017A Senior Bonds, \$1,590,000		
	2017B Subordinate Bonds, \$336,000		
	Principal	Interest	Total
2023	15,000	119,097	134,097
2024-2028	120,000	575,300	695,300
2029-2033	265,000	623,638	888,638
2034-2038	372,000	396,064	768,064
2039-2043	544,000	263,557	807,557
2044-2047	570,000	89,822	659,822
	<u>\$ 1,886,000</u>	<u>\$ 2,067,478</u>	<u>\$ 3,953,478</u>

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

	2021 Actual	2022 Adopted Budget	2023 Adopted Budget
Assessed Valuation	\$ 2,587,213	\$ 2,809,048	\$ 2,759,220
Mill Levy			
General Fund	18.000	18.000	18.000
ARI	1.114	1.114	1.146
Debt Service Fund	55.664	55.664	57.266
Total Mill Levy	<u>74.778</u>	<u>74.778</u>	<u>76.412</u>
Property Taxes			
General Fund	\$ 46,570	\$ 50,563	\$ 49,666
ARI	2,882	3,129	3,162
Debt Service Fund	144,015	156,363	158,009
Actual/Budgeted Property Taxes	<u>\$ 193,467</u>	<u>\$ 210,055</u>	<u>\$ 210,837</u>

HIGHLINE CROSSING METROPOLITAN DISTRICT

GENERAL FUND 2023 Adopted Budget with 2021 Actual and 2022 Adopted Budget

	2021 Actual	2022 Adopted Budget	2023 Adopted Budget
BEGINNING FUND BALANCE	\$ 24,026	\$ 19,332	\$ 23,479
REVENUE			
Property Tax Revenue	46,570	50,563	49,666
Specific Ownership Taxes	3,210	2,750	2,980
Interest Income	122	15	25
Working Capital Fee	900	200	200
Operations Fee	49,795	63,000	63,000
Design Review Fees	150	50	50
Total Revenue	100,746	116,578	115,921
Total Funds Available	124,772	135,910	139,400
EXPENDITURES			
Accounting	10,178	10,000	10,900
Audit	4,700	5,500	5,200
Insurance/SDA Dues	8,270	9,000	8,500
Legal	8,525	7,000	7,000
Election	-	3,000	1,000
Management	13,649	9,000	9,800
Miscellaneous	4,138	2,000	2,000
Treasurer's Fees	700	758	745
Covenant Control	4,209	7,200	7,200
Billing	3,227	4,000	4,400
Landscape Maintenance	17,209	28,000	30,800
Landscape Improvements	1,435	5,000	5,500
Irrigation Repair	2,749	5,000	5,000
Snow Removal	5,975	10,000	10,000
Repairs and Maintenance	1,150	2,000	2,200
Fence Repairs	-	2,000	2,000
Utilities	8,830	12,000	12,000
Contingency	-	5,000	5,000
Total Expenditures	94,944	126,458	129,245
Transfers and Other Sources (Uses)			
Emergency Reserve	-	(3,497)	(3,478)
Total Expenditures Requiring Appropriation	94,944	129,955	132,723
ENDING FUND BALANCE	\$ 29,828	\$ 5,955	\$ 6,677

HIGHLINE CROSSING METROPOLITAN DISTRICT

DEBT SERVICE FUND 2023 Adopted Budget with 2021 Actual and 2022 Adopted Budget

	2021 Actual	2022 Adopted Budget	2023 Adopted Budget
BEGINNING FUND BALANCE	\$ 308,584	\$ 350,720	\$ 409,540
REVENUE			
Property Tax Revenue	144,015	156,363	158,009
Regional Improvement	2,882	3,129	3,162
Specific Ownership Tax	10,124	7,600	9,481
Interest Income/Other	477	400	1,200
Total Revenue	157,498	167,492	171,852
Total Funds Available	466,082	518,212	581,391
EXPENDITURES			
Bond Principal	15,000	15,000	15,000
Bond Interest	86,900	86,075	85,250
Paying Agent Fees	5,519	5,500	5,500
Miscellaneous Expense	-	250	250
Treasurer's Fees	2,166	2,392	2,418
Aurora Expense	2,839	3,082	3,115
Treasurer Fee- Reg Imp	43	50	50
Contingency	-	10,000	10,000
Total Expenditures	112,466	122,349	121,582
Total Expenditures Requiring Appropriation			
	112,466	122,349	121,582
ENDING FUND BALANCE	\$ 353,616	\$ 395,863	\$ 459,809

I, Peggy Ripko, hereby certify that I am the duly appointed Secretary of the Highline Crossing Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Highline Crossing Metropolitan District held on November 21, 2022.

By: 
_____ Secretary

RESOLUTION NO. 2022 - 11 - 03

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE HIGHLINE CROSSING METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Highline Crossing Metropolitan District (“District”) has adopted the 2023 annual budget in accordance with the Local Government Budget Law on November 21, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Highline Crossing Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 21st day of November, 2022.



Secretary

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the Highline Crossing Metropolitan District
 (taxing entity)^A
 the Board of Directors
 (governing body)^B
 of the Highline Crossing Metropolitan District
 (local government)^C

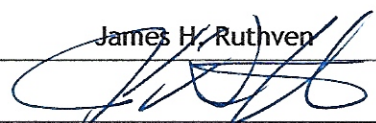
Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,759,220 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

\$ 2,759,220
 USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/22 for budget/fiscal year 2023
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	18.000 mills	\$ 49,666
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< 0.000 > mills	\$ < 0 >
SUBTOTAL FOR GENERAL OPERATING:	18.000 mills	\$ 49,666
3. General Obligation Bonds and Interest ^J	57.266 mills	\$ 158,009
4. Contractual Obligations ^K	0.000 mills	\$ 0
5. Capital Expenditures ^L	0.000 mills	\$ 0
6. Refunds/Abatements ^M	0.000 mills	\$ 0
7. Other ^N (specify): <u>Aurora Regional Improvement</u>	1.146 mills	\$ 3,162
	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	76.412 mills	\$ 210,837

Contact person: (print) James H. Ruthven Daytime phone: (303) 987-0835
 Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds
	Series:	2017A
	Date of Issue:	July 13, 2017
	Coupon Rate:	5.5%
	Maturity Date:	December 1, 2047
	Levy:	57.266
	Revenue:	\$158,009

2.	Purpose of Issue:	Subordinate General Obligation Limited Tax Bonds
	Series:	2017B
	Date of Issue:	July 13, 2017
	Coupon Rate:	7.75%
	Maturity Date:	December 15, 2047
	Levy:	0.000
	Revenue:	\$0

CONTRACTS^K:

3.	Purpose of Contract:	Cost Sharing of Regional Improvements
	Title:	Intergovernmental Agreement with the City of Aurora
	Date:	September 23, 2016
	Principal Amount:	n/a
	Maturity Date:	50 years
	Levy:	1.146
	Revenue:	\$3,162

4.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.