

HIGHLINE CROSSING METROPOLITAN DISTRICT

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NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Doug Secord	President	2022/May 2022
Daniel Payotelis	Assistant Secretary	2023/May 2022
William Moore	Assistant Secretary	2023/May 2022
VACANT		2022/May 2022
VACANT		2023/May 2022
David Solin	Secretary	

DATE: June 14, 2021 (Monday)

TIME: 6:00 P.M.

PLACE: DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT BOARD MEETING WILL BE HELD BY CONFERENCE CALL WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON. **IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT 1-877-250-3814 AND WHEN PROMPTED, DIAL IN THE PASSCODE OF 5592663.**

I. PUBLIC COMMENTS

A. _____

II. ADMINISTRATIVE MATTERS

A. Confirm Quorum and Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda, confirm location of the meeting and posting of meeting notices and designate 24-hour posting location.

C. Acknowledge the resignation of Jeffrey Lentz from the Board of Directors effective March 18, 2021 (enclosure).

D. Consider appointment of Treasurer.

E. Discuss Board Vacancies.

F. Review and approve Minutes of the November 16, 2020 Special Meeting (enclosure).

III. FINANCIAL MATTERS

A. Review and ratify the approval of the payment of claims as follows (enclosures):

Fund	Period Ending Nov. 13, 2020	Period Ending Dec. 16, 2020	Period Ending Jan. 19, 2021	Period Ending Feb. 12, 2021
General	\$ 5,647.32	\$ 16,216.31	\$ 4,751.89	\$ 3,601.88
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 5,647.32	\$ 16,216.31	\$ 4,751.89	\$ 3,601.88

Fund	Period Ending March 27, 2021	Period Ending April 22, 2021	Period Ending May 31, 2021
General	\$ 4,284.15	\$ 10,720.46	\$ 6,261.87
Debt	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-
Total	\$ 4,284.15-	\$ 10,720.46	\$ 6,261.87

B. Review and accept unaudited financial statements through the period ending March 31, 2021 (enclosure).

C. Consider approval of the 2020 Audit and authorization of execution of the Representations Letter (enclosures).

D. Discuss 2022 Budget and set date for public hearing to adopt the 2022 Budget (November 15, 2021).

IV. LEGAL MATTERS

- A. Review and consider approval of First Amendment to Resolution No. 2016-09-09 Regarding Colorado Open Records Act Requests (enclosure).
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V. COVENANT CONTROL/COMMUNITY MANAGEMENT

- A. Community Manager's Report.
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- B. Consider approval of proposal from Emerald Isle Landscaping, LLC for removal of sediment in Detention Pond (enclosure).
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- C. Consider approval of proposal from Emerald Isle Landscaping, LLC for installation of 2 boulders (enclosure).
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- D. Discuss status of proposal for fence construction.
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VI. OTHER BUSINESS

- A. _____
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VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 15, 2021.**

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RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE HIGHLINE CROSSING METROPOLITAN DISTRICT HELD NOVEMBER 16, 2020

A special meeting of the Board of Directors of the Highline Crossing Metropolitan District (referred to hereafter as the “Board”) was convened on Monday, November 16, 2020 at 6:00 p.m. Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting was held by conference call. The meeting was open to the public via conference call.

Directors In Attendance Were:

Doug Secord
Daniel Payotelis

Also In Attendance Was:

David Solin; Special District Management Services, Inc.

Paula Williams, Esq.; McGeady Becher P.C.

William Moore and Jeff Lentz; Board Candidates

Brian O’Sullivan, Lori Miller, Maria Parrga, Ulyses Parrga and Sabrina Moore;
Residents

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosure of Potential Conflicts of Interest: Mr. Solin noted a quorum was present and discussed the requirements of Colorado Law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No disclosures were made and it was noted that all Directors are residents of the District.

**ADMINISTRATIVE
MATTERS** **Agenda:** Mr. Solin distributed for the Board’s review and approval a proposed Agenda for the District's special meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, the Board noted that due to concerns regarding the spread of COVID-19 and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting was held by conference call. The Board further noted that notice of this meeting and the conference call access was duly posted and that it had not received any objections to the format of the meeting or any requests that the meeting format be changed by taxpaying electors within the District's boundaries.

Designation of 24-hour Posting Location: Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted on the District's Website, at least 24 hours prior to each meeting, at <https://highlinecrossingmd.colorado.gov> and at the following physical location should the website be unavailable for posting: The corner of East Kansas Avenue and South Dayton Street.

Resignation of Directors: The resignations of Director Suzanna M. Lora, effective as of July 15, 2020 and Tiffany Steel, effective as of August 19, 2020, were acknowledged.

Appointment of Directors: The Board considered the appointment of Mr. Lentz and Mr. Moore to fill the vacancies created by the resignations of Suzanna Lora and Tiffany Steel.

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, Jeff Lentz and William Moore were appointed to fill the vacancies created by the resignations of Suzanna Lora and Tiffany Steel.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the following slate of officers was appointed:

RECORD OF PROCEEDINGS

President	Doug Secord
Treasurer	Jeff Lentz
Secretary	David Solin
Assistant Secretary	Daniel Payotelis
Assistant Secretary	William Moore

Minutes: The Board reviewed the Minutes of the June 22, 2020 Special Meeting.

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Minutes of the June 22, 2020 Special Meeting were approved.

Resolution No. 2020-11-01; Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices: The Board discussed Resolution No. 2020-11-01; Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

Director Secord reviewed the business to be conducted in 2021 to meet the statutory compliance requirements. The Board determined to meet on June 14, 2021 and November 15, 2021 at 6:00 p.m., at the May Library, 1471 S. Parker Road, Denver, Colorado 80231.

Following discussion, upon a motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-01; Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2021: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2021.

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association's website and the District website.

Public Comments: Ms. Parrga addressed the Board regarding a lack of response from Management, inconsistent enforcement of Rules, lack of tree watering and snow removal.

Ms. Moore asked about installing a speed bump. The Board suggested contacting her City Council Member.

RECORD OF PROCEEDINGS

Director Payotelis requested a solar light be installed at the mailboxes. Mr. Solin thought a light was previously installed and will follow-up on the status.

Concern was expressed about non-resident foot traffic to the apartments. Attorney Williams noted that the District cannot install a gate, but Mr. Solin will look into fencing options.

There was a concern raised about grasses along the sidewalk on the southeast side not being maintained. This area is not within the District.

FINANCIAL MATTERS

Payment of Claims: The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period Ending July 14, 2020	Period Ending Aug. 12, 2020	Period Ending Sept. 16., 2020	Period Ending Oct. 19, 2020
General	\$ 6,626.13	\$ 19,218.00	\$ 10,249.79	\$ 14,223.20
Debt	\$ -0-	\$ -0-	\$ 5,500.00	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 6,626.13-	\$ 19,218.00	\$ 15,749.79	\$ 14,223.20

Following discussion, upon a motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board ratified the payment of claims as presented.

Unaudited Financial Statements: Mr. Solin presented to the Board the unaudited financial statements and statement of cash position for the period ending September 30, 2020.

Following review, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board accepted the unaudited financial statements and schedule of cash position for the period ending September 30, 2020.

2020 Audit: The Board reviewed the engagement letter from Schilling & Company, Inc., to perform the 2020 Audit.

Following discussion, upon a motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board approved the engagement of Schilling & Company, Inc. to perform the 2020 Audit, in an amount not to exceed \$4,700.

RECORD OF PROCEEDINGS

2020 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following discussion, the Board determined that a 2020 Budget Amendment was not needed.

2021 Budget Hearing: The President opened the public hearing to consider the proposed 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Mr. Solin and the Board reviewed the estimated 2020 expenditures and the proposed 2021 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2020-11-02; Resolution to Adopt the 2021 Budget and Appropriate Sums of Money and Resolution No. 2020-11-03; Resolution to Set Mill Levies for the General Fund at 18.000 mills and the Debt Service Fund at 55.664 mills, and ARI levy at 1.114 mills, for a total mill levy of 74.778 mills. Upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Resolutions were adopted, as discussed subject to final assessed valuation, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of the final Certification of Assessed Valuation from the County on or before December 10, 2020. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County, not later than December 15, 2020. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis, and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3: The Board reviewed Resolution No. 2020-11-04, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis, and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-04, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference

2022 Budget Preparation: The Board entered into discussion regarding appointing the District Accountant to prepare the 2022 Budget and setting the date for a Public Hearing to adopt the 2022 Budget.

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2022 Budget and set the date for a Public Hearing to adopt the 2022 Budget for November 15, 2021. The Board directed that the 2022 Budget be the same format as the 2021 Budget unless a Board member provides input to otherwise adjust those assumptions.

LEGAL MATTERS

Legal Services and Fee Summary Agreement with Altitude Law: The Board reviewed the Legal Services and Fee Summary Agreement with Altitude Law.

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board ratified approval of the Legal Services and Fee Summary Agreement with Altitude Law.

COVENANT CONTROL/ COMMUNITY MANAGEMENT

Community Manager's Report: Mr. Solin presented, and the Board discussed and reviewed, the Community Manager's report.

Service Agreement between the District and Emerald Isle Landscaping, LLC for 2020 Snow Removal Services: The Board reviewed a Service Agreement between the District and Emerald Isle Landscaping, LLC for 2020 Snow Removal Services.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement between the District and Emerald Isle Landscaping, LLC for 2020 Snow Removal Services. The Board directed Mr. Solin to have Emerald Isle Landscaping use a 4-inch trigger depth.

Service Agreement between the District and Emerald Isle Landscaping, LLC for 2021 Landscape Maintenance Services: The Board reviewed a Service Agreement between the District and Emerald Isle Landscaping, LLC for 2021 Landscape Maintenance Services.

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board approved the Service Agreement between the District and Emerald Isle Landscaping, LLC for 2021 Landscape Maintenance Services.

Service Agreement between the District and Emerald Isle Landscaping, LLC for Replacement of Wireless Rain Sensors: The Board reviewed a Service Agreement between the District and Emerald Isle Landscaping, LLC for replacement of wireless rain sensors.

Following discussion, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the Board approved the Service Agreement between the District and Emerald Isle Landscaping, LLC for replacement of wireless rain sensors.

Service Agreement between the District and Emerald Isle Landscaping, LLC for Removal of Sediment in Detention Pond: The Board deferred discussion.

OTHER BUSINESS There was no other business at this time.

ADJOURNMENT There being no further business to come before the Board at this time, upon motion duly made by Director Secord, seconded by Director Payotelis and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

**Highline Crossing Metropolitan District
November-20**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Aurora Media Group, LLC	99534	10/27/2020	11/13/2020	\$ 37.55	Miscellaneous	1685
Aurora Water	2296 10-2020	10/30/2020	11/13/2020	\$ 1,636.67	Utilities	1765
McGeady Becher, P.C.	1303W 9/20	9/30/2020	11/13/2020	\$ -	Legal	1675
POOP 911	3771907	10/13/2020	11/13/2020	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3771908	10/19/2020	11/13/2020	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3771906	10/5/2020	11/13/2020	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3839789	11/2/2020	11/13/2020	\$ 25.00	Repairs and Maintenance	1740
Special Dist Management Svcs	Oct-20	10/31/2020	11/13/2020	\$ 892.50	Management	1680
Special Dist Management Svcs	Oct-20	10/31/2020	11/13/2020	\$ 1,400.00	Accounting	1612
Special Dist Management Svcs	Oct-20	10/31/2020	11/13/2020	\$ 442.00	Billing	1616
Special Dist Management Svcs	Oct-20	10/31/2020	11/13/2020	\$ 900.00	Covenant Control	1610
Special Dist Management Svcs	Oct-20	10/31/2020	11/13/2020	\$ 180.25	Miscellaneous	1685
UNCC	220100653	10/31/2020	11/13/2020	\$ 7.45	Miscellaneous	1685
Xcel Energy	707113021	11/2/2020	11/13/2020	\$ 13.09	Utilities	1765
Xpress Bill Pay	52347	11/1/2020	11/13/2020	\$ 37.81	Billing	1616
				\$ 5,647.32		

Highline Crossing Metropolitan District
November-20

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 3,959.75			\$ 3,959.75
Auto-payments	1,687.57	-	-	1,687.57
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Total Disbursements	\$ 5,647.32	\$ -	\$ -	\$ 5,647.32

Highline Crossing

December-20

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Aurora Water	2296 11-2020	12/1/2020	12/16/2020	\$ 26.88	Utilities	1765
Colorado Special Districts P&L	POL-0005731	12/2/2020	12/16/2020	\$ 7,445.00	Prepaid Expenses	1143
Colorado Special Districts P&L	POL-0002514	12/2/2020	12/16/2020	\$ 12.00	Prepaid Expenses	1143
Emerald Isle Landscaping Inc.	37762	11/17/2020	12/16/2020	\$ 1,492.00	Landscape Maintenance	1640
Emerald Isle Landscaping Inc.	37840	11/24/2020	12/16/2020	\$ 515.00	Snow Removal	1643
Emerald Isle Landscaping Inc.	37490	10/26/2020	12/16/2020	\$ 1,190.00	Snow Removal	1643
McGeady Becher, P.C.	1303W 10/20	10/31/2020	12/16/2020	\$ 787.50	Legal	1675
POOP 911	3839791	11/16/2020	12/16/2020	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3839790	11/9/2020	12/16/2020	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3839792	11/23/2020	12/16/2020	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3839793	11/30/2020	12/16/2020	\$ 25.00	Repairs and Maintenance	1740
Special Dist Management Srvs	Nov-20	11/30/2020	12/16/2020	\$ 1,734.50	Management	1680
Special Dist Management Srvs	Nov-20	11/30/2020	12/16/2020	\$ 1,358.00	Accounting	1612
Special Dist Management Srvs	Nov-20	11/30/2020	12/16/2020	\$ 162.50	Billing	1616
Special Dist Management Srvs	Nov-20	11/30/2020	12/16/2020	\$ 900.00	Covenant Control	1610
Special Dist Management Srvs	Nov-20	11/30/2020	12/16/2020	\$ 203.37	Miscellaneous	1685
UNCC	220110650	11/30/2020	12/16/2020	\$ 8.94	Miscellaneous	1685
Xpress Bill Pay	53010	12/1/2020	12/16/2020	\$ 280.62	Billing	1616

\$16,216.31

**Highline Crossing Metropolitan District
December-20**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 15,908.81			\$ 15,908.81
Auto-payments	307.50	-	-	307.50
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Total Disbursements	\$ 16,216.31	\$ -	\$ -	\$ 16,216.31

Highline Crossing
January-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Aurora Water	2296 12-2020	12/31/2020	1/19/2021	\$ 26.88	Utilities	1765
Emerald Isle Landscaping Inc.	38225	12/13/2020	1/19/2021	\$ 217.50	Snow Removal	1643
Emerald Isle Landscaping Inc.	38323	12/15/2020	1/19/2021	\$ 217.50	Snow Removal	1643
Emerald Isle Landscaping Inc.	38589	1/6/2021	1/19/2021	\$ 130.00	Irrigation Repair	1642
McGeady Becher, P.C.	1303W 11/20	11/30/2020	1/19/2021	\$ 335.00	Legal	1675
POOP 911	3908263	12/28/2020	1/19/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3908262	12/21/2020	1/19/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3908260	12/7/2020	1/19/2021	\$ 25.00	Repairs and Maintenance	1740
Special Dist Management Srvs	Dec-20	12/31/2020	1/19/2021	\$ 1,579.50	Management	1680
Special Dist Management Srvs	Dec-20	12/31/2020	1/19/2021	\$ 742.00	Accounting	1612
Special Dist Management Srvs	Dec-20	12/31/2020	1/19/2021	\$ 149.50	Billing	1616
Special Dist Management Srvs	Dec-20	12/31/2020	1/19/2021	\$ 900.00	Covenant Control	1610
Special Dist Management Srvs	Dec-20	12/31/2020	1/19/2021	\$ 327.78	Miscellaneous	1685
UNCC	220120647	12/31/2020	1/19/2021	\$ 23.84	Miscellaneous	1685
Xcel Energy	710687080	12/1/2020	1/19/2021	\$ 13.15	Utilities	1765
Xpress Bill Pay	53672	1/1/2021	1/19/2021	\$ 14.24	Billing	1616
				\$ 4,751.89		

**Highline Crossing Metropolitan District
January-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,697.62			\$ 4,697.62
Auto-payments	54.27	-	-	54.27
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Total Disbursements	\$ 4,751.89	\$ -	\$ -	\$ 4,751.89

**Highline Crossing Metropolitan District
February-21**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
McGeady Becher, P.C.	1303W 12/20	12/31/2020	2/12/2021	\$ 286.33	Legal	1675
McGeady Becher, P.C.	1303W 01/21	1/31/2021	2/12/2021	\$ 120.00	Legal	1675
POOP 911	3979418	1/18/2021	2/12/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3979417	1/11/2021	2/12/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3979419	1/25/2021	2/12/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	3979416	1/4/2021	2/12/2021	\$ 25.00	Repairs and Maintenance	1740
Special Dist Management Srvs	Jan-21	1/31/2021	2/12/2021	\$ 1,314.50	Management	1680
Special Dist Management Srvs	Jan-21	1/31/2021	2/12/2021	\$ 826.00	Accounting	1612
Special Dist Management Srvs	Jan-21	1/31/2021	2/12/2021	\$ 325.00	Billing	1616
Special Dist Management Srvs	Jan-21	1/31/2021	2/12/2021	\$ 342.00	Covenant Control	1610
Special Dist Management Srvs	Jan-21	1/31/2021	2/12/2021	\$ 185.27	Miscellaneous	1685
UNCC	221010679	1/31/2021	2/12/2021	\$ 22.44	Miscellaneous	1685
Xcel Energy	714607784	1/4/2021	2/12/2021	\$ 13.58	Utilities	1765
Xcel Energy	718355486	2/1/2021	2/12/2021	\$ 13.34	Utilities	1765
Xpress Bill Pay	54337	2/1/2021	2/12/2021	\$ 53.42	Billing	1616

\$ 3,601.88

**Highline Crossing Metropolitan District
February-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 3,521.54			\$ 3,521.54
Auto-payments	80.34	-	-	80.34
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Total Disbursements	\$ 3,601.88	\$ -	\$ -	\$ 3,601.88

**Highline Crossing Metropolitan District
March-21**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Aurora Water	2296 02-2021	2/23/2021	3/26/2021	\$ 26.88	Utilities	1765
Aurora Water	2296 01-2021	1/26/2021	2/22/2021	\$ 26.88	Utilities	1765
Emerald Isle Landscaping Inc.	39306	2/25/2021	3/27/2021	\$ 405.00	Snow Removal	1643
Emerald Isle Landscaping Inc.	39191	2/21/2021	3/23/2021	\$ 575.00	Snow Removal	1643
Fusing Sign and Design	171063	1/22/2021	3/26/2021	\$ 372.00	Miscellaneous	1685
POOP 911	4052493	2/22/2021	3/26/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	4052491	2/8/2021	3/26/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	4052490	2/1/2021	3/26/2021	\$ 25.00	Repairs and Maintenance	1740
Special Dist Management Srvs	Feb-21	2/28/2021	3/26/2021	\$ 817.50	Management	1680
Special Dist Management Srvs	Feb-21	2/28/2021	3/26/2021	\$ 1,022.00	Accounting	1612
Special Dist Management Srvs	Feb-21	2/28/2021	3/26/2021	\$ 149.50	Billing	1616
Special Dist Management Srvs	Feb-21	2/28/2021	3/26/2021	\$ 304.00	Covenant Control	1610
Special Dist Management Srvs	Feb-21	2/28/2021	3/26/2021	\$ 119.55	Miscellaneous	1685
Special District Association	SDA 2021	2/11/2021	3/26/2021	\$ 363.38	Insurance/SDA Dues	1670
UNCC	221020705	2/28/2021	3/26/2021	\$ 11.88	Miscellaneous	1685
Xpress Bill Pay	55009	3/1/2021	3/26/2021	\$ 15.58	Billing	1616
				\$ 4,284.15		

**Highline Crossing Metropolitan District
March-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,284.15			\$ 4,284.15
Auto-payments		-	-	-
<hr/>				
Total Disbursements	\$ 4,284.15	\$ -	\$ -	\$ 4,284.15

**Highline Crossing Metropolitan District
April-21**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Aurora Water	2296 03-2021	3/31/2021	4/20/2021	\$ 26.88	Utilities	1765
Emerald Isle Landscaping Inc.	39979	4/1/2021	4/22/2021	\$ 2,251.29	Landscape Maintenance	1640
Emerald Isle Landscaping Inc.	39687	3/14/2021	4/22/2021	\$ 4,770.00	Snow Removal	1643
Emerald Isle Landscaping Inc.	39823	3/22/2021	4/22/2021	\$ 225.00	Snow Removal	1643
McGeady Becher, P.C.	1303W 02/2021	2/28/2021	4/22/2021	\$ 215.00	Legal	1675
POOP 911	4130758	3/8/2021	4/22/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	4130760	3/22/2021	4/22/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	4130761	3/29/2021	4/22/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	4130757	3/1/2021	4/22/2021	\$ 25.00	Repairs and Maintenance	1740
Special Dist Management Srvs	Mar-21	3/31/2021	4/22/2021	\$ 1,204.50	Management	1680
Special Dist Management Srvs	Mar-21	3/31/2021	4/22/2021	\$ 1,008.00	Accounting	1612
Special Dist Management Srvs	Mar-21	3/31/2021	4/22/2021	\$ 162.50	Billing	1616
Special Dist Management Srvs	Mar-21	3/31/2021	4/22/2021	\$ 446.50	Covenant Control	1610
Special Dist Management Srvs	Mar-21	3/31/2021	4/22/2021	\$ 259.52	Miscellaneous	1685
UNCC	221030723	3/31/2021	4/22/2021	\$ 10.56	Miscellaneous	1685
Xcel Energy	722162956	3/2/2021	4/22/2021	\$ 13.24	Utilities	1765
Xcel Energy	726250968	4/1/2021	4/22/2021	\$ 12.99	Utilities	1765
Xpress Bill Pay	55684	4/1/2021	4/22/2021	\$ 14.48	Billing	1616
				\$ 10,720.46		

**Highline Crossing Metropolitan District
April-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 10,720.46			\$ 10,720.46
Auto-payments		-	-	-
<hr/>				
Total Disbursements	\$ 10,720.46	\$ -	\$ -	\$ 10,720.46

**Highline Crossing Metropolitan District
May-21**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Aurora Water	2296 04-2021	4/30/2021	5/20/2021	\$ 48.51	Utilities	1765
Emerald Isle Landscaping Inc.	40485	5/1/2021	5/31/2021	\$ 2,251.29	Landscape Maintenance	1640
McGeady Becher, P.C.	1303W 03/2021	3/31/2021	3/31/2021	\$ 432.00	Legal	1675
POOP 911	4236661	4/5/2021	4/5/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	4236663	4/19/2021	4/19/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	4236664	4/27/2021	4/27/2021	\$ 25.00	Repairs and Maintenance	1740
POOP 911	4236662	4/12/2021	4/12/2021	\$ 25.00	Repairs and Maintenance	1740
Special Dist Management Srvs	Apr-21	4/30/2021	4/30/2021	\$ 1,596.50	Management	1680
Special Dist Management Srvs	Apr-21	4/30/2021	4/30/2021	\$ 896.00	Accounting	1612
Special Dist Management Srvs	Apr-21	4/30/2021	4/30/2021	\$ 344.50	Billing	1616
Special Dist Management Srvs	Apr-21	4/30/2021	4/30/2021	\$ 361.00	Covenant Control	1610
Special Dist Management Srvs	Apr-21	4/30/2021	4/30/2021	\$ 161.54	Miscellaneous	1685
UNCC	221040729	4/30/2021	4/30/2021	\$ 13.20	Miscellaneous	1685
Xcel Energy	730393176	5/3/2021	5/21/2021	\$ 13.01	Utilities	1765
Xpress Bill Pay	56380	5/1/2021	5/6/2021	\$ 44.32	Billing	1616

\$ 6,261.87

Highline Crossing Metropolitan District
May-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 6,261.87			\$ 6,261.87
Auto-payments		-	-	-
<hr/>				
Total Disbursements	\$ 6,261.87	\$ -	\$ -	\$ 6,261.87

HIGHLINE CROSSING METROPOLITAN DISTRICT
Schedule of Cash Position
March 31, 2021

	Operating	Debt Service	Total
Checking:			
Cash in Bank-First Bank	\$ 25,920.22	\$ 188,940.81	\$ 214,861.03
Xpress Deposit Account	9,156.00	-	9,156.00
UMB Trust Accounts:			
Bond Surplus Fund	-	59,047.74	59,047.74
Bond Fund	-	82.29	82.29
Reserve Fund	-	129,583.40	129,583.40
TOTAL FUNDS:	\$ 35,076.22	\$ 377,654.24	\$ 412,730.46

2021 Mill Levy Information

Certified General Fund Mill Levy	18.000
Certified Debt Service Fund Mill Levy	56.778
Total Certified Mill Levy	74.778

Board of Directors

- * Douglas Secord
- *
- * Daniel J. Payotelis
- * William Moore

HIGHLINE CROSSING METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

March 31, 2021

HIGHLINE CROSSING METROPOLITAN DISTRICT
Combined Balance Sheet - All Fund Types and Account Groups
March 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Fixed Assets</u>	<u>Long-Term Debt</u>	<u>Total</u>
Assets					
Cash in Bank-First Bank	\$ 25,920	\$ 188,941	\$ -	\$ -	\$ 214,861
Xpress Deposit Account	9,156	-	-	-	9,156
Bond Surplus Fund	-	59,048	-	-	59,048
Bond Fund	-	82	-	-	82
Reserve Fund	-	129,583	-	-	129,583
Accounts Receivable	5,759	-	-	-	5,759
Property Taxes Receivable	26,532	83,690	-	-	110,222
Total Current Assets	<u>67,367</u>	<u>461,344</u>	<u>-</u>	<u>-</u>	<u>528,711</u>
Other Debts					
Amount in Debt Service Fund	-	-	-	375,290	375,290
Amount to be Provided for Debt	-	-	-	1,314,627	1,314,627
Total Other Debts	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,689,917</u>	<u>1,689,917</u>
Capital Assets					
Construction in process	-	-	1,388,737	-	1,388,737
Total Capital Assets	<u>-</u>	<u>-</u>	<u>1,388,737</u>	<u>-</u>	<u>1,388,737</u>
Total Assets	<u>\$ 67,367</u>	<u>\$ 461,344</u>	<u>\$ 1,388,737</u>	<u>\$ 1,689,917</u>	<u>\$ 3,607,366</u>
Liabilities					
Due to City of Aurora	\$ -	\$ 2,364	\$ -	\$ -	\$ 2,364
Bonds Payable	-	-	-	1,580,000	1,580,000
Developer Advance- Operations	-	-	-	94,563	94,563
Developer Advance- Interest	-	-	-	15,354	15,354
Total Liabilities	<u>-</u>	<u>2,364</u>	<u>-</u>	<u>1,689,917</u>	<u>1,692,281</u>
Deferred Inflows of Resources					
Deferred Property Taxes	26,532	83,690	-	-	110,222
Total Deferred Inflows of Resource	<u>26,532</u>	<u>83,690</u>	<u>-</u>	<u>-</u>	<u>110,222</u>
Fund Balance					
Investment in Fixed Assets	-	-	1,388,737	-	1,388,737
Fund Balance	24,026	311,384	-	-	335,411
Current Year Earnings	16,809	63,906	-	-	80,715
Total Fund Balances	<u>40,835</u>	<u>375,290</u>	<u>-</u>	<u>-</u>	<u>1,804,862</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 67,367</u>	<u>\$ 461,344</u>	<u>\$ 1,388,737</u>	<u>\$ 1,689,917</u>	<u>\$ 3,607,366</u>

HIGHLINE CROSSING METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the 3 Months Ending
March 31, 2021
General Fund

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Tax Revenue	\$ 20,038	\$ 20,038	\$ 46,570	\$ (26,532)	43%
Specific Ownership Taxes	512	512	2,750	(2,238)	19%
Interest Income	-	-	15	(15)	0%
Working Capital Fee	-	-	200	(200)	0%
Operations Fee	12,600	12,600	50,490	(37,890)	25%
Design Review Fees	-	-	50	(50)	0%
Total Revenues	<u>33,150</u>	<u>33,150</u>	<u>100,075</u>	<u>(66,925)</u>	<u>33%</u>
Expenditures					
Covenant Control	646	646	7,200	6,554	9%
Billing	558	558	4,000	3,442	14%
Accounting	1,848	1,848	10,000	8,152	18%
Audit	-	-	6,000	6,000	0%
Landscape Maintenance	-	-	16,000	16,000	0%
Landscape Improvements	-	-	3,500	3,500	0%
Irrigation Repair	130	130	5,000	4,870	3%
Snow Removal	980	980	15,000	14,020	7%
Detention Pond Maintenance	-	-	1,400	1,400	0%
Insurance/SDA Dues	8,270	8,270	8,800	530	94%
Legal	120	120	7,000	6,880	2%
Management	2,132	2,132	9,000	6,868	24%
Miscellaneous	1,115	1,115	1,000	(115)	111%
Treasurer's Fees	301	301	699	398	43%
Operations and Maint Reserve	-	-	2,000	2,000	0%
Repairs and Maintenance	175	175	2,000	1,825	9%
Fence Repairs	-	-	2,000	2,000	0%
Utilities	67	67	14,000	13,933	0%
Emergency Reserve	-	-	3,002	3,002	0%
Total Expenditures	<u>16,342</u>	<u>16,342</u>	<u>117,601</u>	<u>101,259</u>	<u>14%</u>
Excess (Deficiency) of Revenues Over Expenditures	16,809	16,809	(17,526)	34,335	
Beginning Fund Balance	24,026	24,026	19,705	4,321	
Ending Fund Balance	<u>\$ 40,835</u>	<u>\$ 40,835</u>	<u>\$ 2,179</u>	<u>\$ 38,656</u>	

HIGHLINE CROSSING METROPOLITAN DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the 3 Months Ending
March 31, 2021
Debt Service Fund

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Tax Revenue	\$ 61,967	\$ 61,967	\$ 144,015	\$ (82,048)	43%
Regional Improvement	1,240	1,240	2,882	(1,642)	43%
Specific Ownership Tax	1,616	1,616	7,600	(5,984)	21%
Interest Income/Other	40	40	1,000	(960)	4%
Total Revenues	<u>64,863</u>	<u>64,863</u>	<u>155,497</u>	<u>(90,634)</u>	<u>42%</u>
Expenditures					
Bond Principal	-	-	15,000	15,000	0%
Bond Interest	-	-	86,900	86,900	0%
Paying Agent Fees	9	9	5,500	5,491	0%
Miscellaneous Expense	-	-	250	250	0%
Aurora Expense	-	-	2,839	2,839	0%
Contingency	-	-	10,000	10,000	0%
Treasurer's Fees	930	930	2,203	1,274	42%
Treasurer Fee- Reg Imp	19	19	-	(19)	-
Total Expenditures	<u>957</u>	<u>957</u>	<u>122,692</u>	<u>121,735</u>	<u>1%</u>
Excess (Deficiency) of Revenues Over Expenditures	63,906	63,906	32,805	31,101	
Beginning Fund Balance	311,384	311,384	306,557	4,827	
Ending Fund Balance	<u>\$ 375,290</u>	<u>\$ 375,290</u>	<u>\$ 339,362</u>	<u>\$ 35,928</u>	



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

June 14, 2021

To the Board of Directors
Highline Crossing Metropolitan District
Arapahoe County, Colorado

We have audited the financial statements of the governmental activities and the major funds of Highline Crossing Metropolitan District (District) for the year ended December 31, 2020, and have issued our report thereon dated June 14, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit.

Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in the engagement letter dated November 6, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We generally communicate our significant findings at the conclusion of the audit. However, some matters may have been communicated sooner, particularly if significant difficulties were encountered during the audit where assistance was needed to overcome the difficulties or if the difficulties may have lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

The audit was performed in May 2021, and we issued our report on June 14, 2021.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. There were no accounting estimates that are considered particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. See Exhibit I for corrected misstatements noted during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that there were no such disagreements during the course of the audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated June 14, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

We were engaged to report on supplementary information, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Schilling & Company, Inc.

Adj. Journal Entries
 Highline Crossing Metropolitan District
 12/31/2020
 Exhibit I

AJE No.	Account Description	W/P Ref	Account Number	Debits	Credits
1	Cash in Bank - First Bank	A-1-1	1-111	22,000.00	
1	Xpress Deposit Account		1-114		22,000.00
To record 12/28/20 transfer from XPress.					
2	Landscape Maintenance	302	1-640	2,251.29	
2	Snow removal		1-643		2,251.29
To reclassify landscape maintenance invoice at 12/31/20					
3	Due to City of Aurora	100	2-315		2,800.43
3	Aurora Expense		2-650	2,800.43	
To record due to ARTA as of 12/31/2020 for the 2020 taxes collected.					
Totals				27,051.72	27,051.72

Preliminary Draft
 Subject to Revision

**HIGHLINE CROSSING
METROPOLITAN DISTRICT
Arapahoe County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Preliminary Draft
Subject to Revision

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SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

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Independent Auditor's Report

Board of Directors
Highline Crossing Metropolitan District
Arapahoe County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Highline Crossing Metropolitan District (District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Highline Crossing Metropolitan District, as of December 31, 2020, 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.

Other-Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial 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.

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

Highlands Ranch, Colorado
June 14, 2021

BASIC FINANCIAL STATEMENTS

Preliminary Draft
Subject to Revision

**HIGHLINE CROSSING METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2020**

ASSETS

Cash and investments - unrestricted	\$ 14,328
Cash and investments - restricted	313,040
Cash with County Treasurer	934
Accounts receivable	6,474
Property taxes receivable	193,467
Prepaid expense	7,907
Total assets	536,150

LIABILITIES

Accounts payable	4,908
Due to City of Aurora	5,165
Accrued interest payable	7,242
Bonds and advances payable	
Due within one year	15,000
Due in more than one year	2,108,539
Total liabilities	2,140,854

DEFERRED INFLOWS OF RESOURCES

Property tax revenue	193,467
Total deferred inflows of resources	193,467

NET POSITION

Restricted for emergencies	3,100
Restricted for debt service	171,817
Unrestricted	(1,973,088)
Total net position	\$ (1,798,171)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

HIGHLINE CROSSING METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 108,619	\$ 52,350	\$ -	\$ -	\$ (56,269)
Interest and fiscal charges	135,528	-	-	-	(135,528)
	<u>\$ 244,147</u>	<u>\$ 52,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(191,797)</u>
General revenues:					
Taxes:					
Property taxes					190,849
Specific ownership taxes					13,524
Net investment income					1,591
Total general revenues					<u>205,964</u>
Change in net position					14,167
Net position - beginning					(1,812,338)
Net position - ending					<u>\$ (1,798,171)</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**HIGHLINE CROSSING METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments - unrestricted	\$ 14,328	\$ -	\$ 14,328
Cash and investments - restricted	-	313,040	313,040
Cash with County Treasurer	225	709	934
Accounts receivable	6,474	-	6,474
Property tax receivable	46,570	146,897	193,467
Prepaid expense	7,907	-	7,907
TOTAL ASSETS	<u>\$ 75,504</u>	<u>\$ 460,646</u>	<u>\$ 536,150</u>
LIABILITIES			
Accounts payable	\$ 4,908	\$ -	\$ 4,908
Due to City of Aurora	-	5,165	5,165
Total liabilities	<u>4,908</u>	<u>5,165</u>	<u>10,073</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	46,570	146,897	193,467
Total deferred inflows of resources	<u>46,570</u>	<u>146,897</u>	<u>193,467</u>
FUND BALANCES			
Nonspendable - prepaid items	7,907	-	7,907
Spendable:			
Restricted for:			
Emergencies	3,100	-	3,100
Debt service	-	308,584	308,584
Assigned for subsequent year's expenditures	13,019	-	13,019
Total fund balances	<u>24,026</u>	<u>308,584</u>	<u>332,610</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 75,504</u>	<u>\$ 460,646</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some liabilities, including bonds payable, developer advances and other accrued payables are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

General obligation bonds payable	(1,916,000)
Developer advances	(94,563)
Accrued interest payable - 2017A bonds	(7,242)
Accrued interest payable - 2017B bonds	(99,759)
Accrued interest payable - developer advances	(13,489)
	<u>(2,131,053)</u>
Net position of governmental activities	<u>\$ (1,798,443)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**HIGHLINE CROSSING METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2020**

	General	Debt Service	Total Governmental Funds
REVENUES			
Property tax	\$ 45,940	\$ 144,909	\$ 190,849
Specific ownership tax	3,915	9,609	13,524
Net investment income	49	1,542	1,591
Transfer fee	1,800	-	1,800
Operations fee	50,400	-	50,400
Review fee	150	-	150
Total revenues	<u>102,254</u>	<u>156,060</u>	<u>258,314</u>
EXPENDITURES			
Current			
Management fees	12,311	-	12,311
Billing services	3,658	-	3,658
Accounting	11,197	-	11,197
Audit	6,068	-	6,068
Legal	7,105	-	7,105
Insurance	8,010	-	8,010
Election expense	1,046	-	1,046
Miscellaneous	4,049	120	4,169
County Treasurer's fees	690	2,176	2,866
IGA - Aurora	-	2,800	2,800
Covenant control	10,800	-	10,800
Landscape maintenance	17,251	-	17,251
Repairs and maintenance	2,245	-	2,245
Irrigation repair	5,842	-	5,842
Snow removal	3,562	-	3,562
Utilities	14,785	-	14,785
Debt service			
Paying agent fees and other fees	-	5,523	5,523
Bond principal	-	10,000	10,000
Bond interest	-	87,450	87,450
Total expenditures	<u>108,619</u>	<u>108,069</u>	<u>216,688</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>(6,365)</u>	<u>47,991</u>	<u>41,626</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	25,000	-	25,000
Total other financing sources (uses)	<u>25,000</u>	<u>-</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCES			
	18,635	47,991	66,626
FUND BALANCES - BEGINNING OF YEAR			
	5,391	260,593	265,984
FUND BALANCES - END OF YEAR			
	<u>\$ 24,026</u>	<u>\$ 308,584</u>	<u>\$ 332,610</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**HIGHLINE CROSSING METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2020**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ 66,626</u>
The issuance of long-term debt provides for current financial resources of governmental funds. However, it has no effect on net position.	
Developer advances	<u>(25,000)</u>
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.	
Bond principal	10,000
Change in accrued interest and unpaid interest payable - bonds	(31,024)
Change in accrued interest payable - developer advances	<u>(6,435)</u>
	<u>(27,459)</u>
Change in net position - Governmental activities	<u><u>\$ 14,167</u></u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**HIGHLINE CROSSING METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2020**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property tax	\$ 45,940	\$ 45,940	\$ -
Specific ownership taxes	2,756	3,915	1,159
Net investment income	200	49	(151)
Transfer fee	200	1,800	1,600
Operations fee	50,400	50,400	-
Review fee	250	150	(100)
Total Revenues	<u>99,746</u>	<u>102,254</u>	<u>2,508</u>
EXPENDITURES			
Management fees	10,000	12,311	(2,311)
Billing services	4,500	3,658	842
Accounting	10,000	11,197	(1,197)
Audit	5,000	6,068	(1,068)
Legal	7,500	7,105	395
Insurance	3,700	8,010	(4,310)
Election expense	1,500	1,046	454
Miscellaneous	1,000	4,049	(3,049)
County Treasurer's fees	689	690	(1)
Covenant control	10,800	10,800	-
Landscape maintenance	16,000	17,251	(1,251)
Landscape improvements	3,000	-	3,000
Repairs and maintenance	2,000	2,245	(245)
Irrigation repair	5,000	5,842	(842)
Snow removal	20,000	3,562	16,438
Detention pond maintenance	3,000	-	3,000
Operations and maintenance reserves	5,000	-	5,000
Fence repairs	2,000	-	2,000
Utilities	10,000	14,785	(4,785)
Contingency	5,000	-	5,000
Emergency reserves	3,742	-	3,742
Total Expenditures	<u>129,431</u>	<u>108,619</u>	<u>20,812</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(29,685)</u>	<u>(6,365)</u>	<u>23,320</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	25,000	25,000	-
Total other financing sources (uses)	<u>25,000</u>	<u>25,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,685)	18,635	23,320
FUND BALANCE - BEGINNING OF YEAR	15,203	5,391	(9,812)
FUND BALANCE - END OF YEAR	<u>\$ 10,518</u>	<u>\$ 24,026</u>	<u>\$ 13,508</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Highline Crossing Metropolitan District (District), a quasi-municipal corporation, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District was established to provide financing for the acquisition, construction, installation and/or operation of street improvements, water, sanitation, safety protection, park and recreation and transportation services. A majority of the facilities constructed by the District have been conveyed to the City of Aurora for perpetual maintenance except certain common-area, street-scape and median landscape areas monument signs, and detention ponds.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

The statement of net position reports all financial and capital resources of the District, the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, being 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.

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

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

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 funds' average equity balance in total cash.

Capital Assets

Capital assets, which include infrastructure improvements, are reported in the governmental activities column 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 estimated fair value at the date of donation.

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 capital assets, as applicable. Any construction in process that will be dedicated to another entity is not depreciated. As of December 31, 2020, the District had no depreciable capital assets as all capital assets were conveyed to the City of Aurora in 2018.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Deferred Inflows/Outflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

resources reported in the governmental funds for unavailable revenues are property taxes levied for the ensuing year.

Debt Issue Costs and Original Issue Discount/Premium

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method, with the unamortized amount included as a component of the debt. Debt issuance costs are treated as a period cost and expensed in the year incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance—amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Operations and Transfer Fees

The District has imposed an Operations Fee in the amount of \$800 per year on each residential lot within the District. The Operations Fee is billed in quarterly amounts of \$200 and is to be used for operations and maintenance costs.

The District has imposed a Transfer Fee in order to offset administrative costs associated with a transfer of ownership of any unit located within the District. The Transfer Fee is \$300 per lot and is due and payable at the time of any sale, transfer or re-sale of any single-family dwelling which has a certificate of occupancy.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Cash and investments - unrestricted	\$ 14,328
Cash and investments - restricted	<u>313,040</u>
	<u><u>\$ 327,368</u></u>

Cash and investments as of December 31, 2020, consist of the following:

Deposits with financial institutions	\$ 138,685
Investments	<u>188,683</u>
	<u><u>\$ 327,368</u></u>

Cash Deposits

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

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

At December 31, 2020, the District's cash deposits had a bank balance of \$138,872 and carrying balance of \$138,685.

Investments

The District has not adopted a formal investment policy; however, the District follows State Statutes regarding investments.

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

The District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	\$ <u>188,683</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST is rated AAAM by Standard and Poor's. A designated custodial bank serves as custodian for COLOTRUST's portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for COLOTRUST's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. As of December 31, 2020 the District had \$188,683 invested in COLOTRUST held directly by the District. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotrust.com.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

Restricted Cash and Investments

As of December 31, 2020, cash and investments in the amount of \$313,040 are restricted for debt service in accordance with the indenture of trust related to the Series 2017A and B General Obligation Bonds (See Note 4).

NOTE 4 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2020:

	<u>Balance at December 31, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2020</u>	<u>Due Within One Year</u>
General Obligation Bonds:					
2017A	\$ 1,590,000	\$ -	\$ (10,000)	\$ 1,580,000	\$ 15,000
2017B	336,000	-	-	336,000	-
Unpaid accrued interest:					
2017B bonds	68,417	31,070	-	99,487	-
Developer Advances	69,563	25,000	-	94,563	-
Accrued interest on Developer Advances	7,054	6,435	-	13,489	-
	<u>\$ 2,071,034</u>	<u>\$ 62,505</u>	<u>\$ (10,000)</u>	<u>\$ 2,123,539</u>	<u>\$ 15,000</u>

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

General Obligation Limited Tax Bonds, Series 2017A and 2017B

Series 2017A

On July 13, 2017, the District issued \$1,590,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2017A, (2017A Bonds), with interest of 5.50%. Proceeds of the 2017A Bonds were used for issuance costs and to reimburse the Developer for capital construction costs. The 2017A Bonds mature on December 1, 2047 with mandatory sinking

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

fund payments each year beginning December 1, 2020 in varying amounts. Interest is due each June 1 and December 1, commencing December 1, 2017. The 2017A Bonds are subject to optional redemption, as a whole or in integral multiples of \$1,000 on any date, upon payment of par and accrued interest plus a redemption premium in varying rates beginning on December 1, 2022.

The 2017A Bonds are payable from pledged revenue, which includes the District's covenant to levy the required mill levy on all taxable property within the District to pay for debt scheduled payments, specific ownership taxes, capital fees and any other revenues designated as such and pledged to the payment of the 2017A Bonds by a resolution adopted by the Board. Prior to the Conversion Date (first date on which both the debt to assessed ratio is 50% or less; and no amounts of principal or interest on the 2017A Bonds are due but unpaid), the District is required to impose a mill levy sufficient to pay principal and interest on the 2017A Bonds as they come due, and if necessary, an amount sufficient to replenish the Reserve Fund to the amount of the Required Reserve, but (1) not in excess of 50.000 mills, and (2) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 50.000 mills; provided, however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2004, any change in law, change in method of calculation, the minimum and maximum mill levies shall be increased or decreased to reflect such changes. On and after the Conversion Date, the District is to impose a mill levy in an amount sufficient to pay the principal and interest on the 2017A Bonds as they come due. The District levied 55.664 mills for collection in 2020 and 2021.

Pursuant to the Indenture of Trust, the District is required to establish a Reserve Fund for the 2017A Bonds with bond proceeds in the amount of \$129,525. As of December 31, 2020, the balance was \$129,562.

Pledged revenue not required for the payment of the 2017A Bonds or the Reserve Fund shall be credited to the Surplus Fund up to a maximum amount of \$159,000. As of December 31, 2020, the balance was \$59,038.

Series 2017B

On July 13, 2017 the District issued \$336,000 Subordinate General Obligation Limited Tax Bonds, Series 2017B (2017B Bonds), with interest of 7.75%. Proceeds of the 2017B Bonds were used for issuance costs and to reimburse the Developer for capital construction costs. The 2017B Bonds mature on December 15, 2047. Interest is payable on December 15 of each year, commencing on December 15, 2017. Unpaid interest shall compound annually on December 15 of each year.

The 2017B Bonds are only payable in any particular year to the extent that there are amounts available in the Subordinate Pledged Revenue Fund. The Subordinate Pledged Revenue Fund is to be funded from the Subordinate Required Mill Levy, specific ownership taxes, capital fees and any other revenues designated as such and pledged to the payment of the bonds by a resolution adopted by the Board. The Subordinate Required Mill Levy is 50.000 mills less the 2017A Bond mill levy.

The District's 2017A General Obligation Bonds will mature as follows:

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Year Ending December 31,	Principal	Interest	Total
2021	\$ 15,000	\$ 86,900	\$ 101,900
2022	15,000	86,075	101,075
2023	15,000	85,250	100,250
2024	20,000	84,425	104,425
2025	20,000	83,325	103,325
2026-2030	145,000	396,550	541,550
2031-2035	220,000	349,250	569,250
2036-2040	325,000	277,750	602,750
2041-2045	450,000	174,625	624,625
2046-2047	355,000	33,000	388,000
	<u>\$ 1,580,000</u>	<u>\$ 1,657,150</u>	<u>\$ 3,237,150</u>

Annual debt service requirements of the District's Subordinate General Obligation Limited Tax Bonds, Series 2017B Bonds are not currently determinable since they are payable only from funds available from Subordinate Pledged Revenue.

2016 Operation Funding Agreement

The District and Meritage Homes of Colorado, Inc (the Developer) entered into an Operation Funding Agreement on September 23, 2016 with an effective date of August 16, 2016 (2016 OFA). The 2016 OFA provides for the Developer to advance funds for ongoing operating expenses incurred by the District through December 31, 2016 in an amount not to exceed \$50,000. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 8% per annum. Any obligation of the District to reimburse the Developer shall expire on December 31, 2056.

2017 Operation Funding Agreement

On December 8, 2016 (effective January 1, 2017), the District entered into the 2017 Operation Funding Agreement with the Developer as amended by the First Amendment to the 2017 Operation Funding Agreement dated June 14, 2017; the Second Amendment to the 2017 Operation Funding Agreement dated November 7, 2017 and the Third Amendment to the 2017 Operation Funding Agreement dated December 11, 2018 (2017 OFA). The 2017 OFA provides for the Developer to advance funds for ongoing operating expenses incurred by the District through December 31, 2020 in an amount not to exceed \$105,000. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 8% per annum. Any obligation for the District to reimburse the Developer shall expire on December 31, 2059.

2020 Operation Funding Agreement

The District and Meritage Homes of Colorado, Inc (the Developer) entered into an Operation Funding Agreement on November 18, 2020 with an effective date of January 1, 2020 (2020 OFA). The 2020 OFA provides for the Developer to advance funds for ongoing operating expenses incurred by the District through December 31, 2020 in an amount not to exceed

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

\$25,000. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 8% per annum. Any obligation of the District to reimburse the Developer shall expire on December 31, 2060.

The 2020 OFA establishes the priority of payments to reimburse the Developer. Payments shall be applied as follows a) first to the 2016 OFA accrued and unpaid interest and then to the 2016 OFA principal amount due; and then b) first to the 2017 OFA accrued and unpaid interest and then to the 2017 OFA principal amount due; and then c) first to the 2020 OFA accrued and unpaid interest and then to the 2020 OFA principal amount due pursuant to the 2020 OFA.

As of December 31, 2020, the District owed a total of \$94,563 in principal and \$13,489 in accrued interest under the 2016 OFA, 2017 OFA and 2020 OFA.

Facilities Funding and Acquisition Agreement

The District and the Developer entered into a Facilities Funding and Acquisition Agreement (FFA Agreement) on September 23, 2016, effective August 16, 2016.

Organization Costs

According to the terms of the FFA Agreement, the District shall reimburse the Developer for organization expenses incurred. Simple interest accrues on the organization expenses at a rate of 8% from the District's organization date or the date the cost was incurred by the Developer, whichever is later.

Construction Costs

The parties to the FFA Agreement acknowledge that the District will incur construction related expenses in connection with the construction of certain public improvements in reliance upon the Developer's commitment to provide funding. In addition, the Developer has or will design, construct and complete certain improvements for District acquisition upon completion. To the extent that the public improvements are not designed, constructed and completed by the Developer for the District's acquisition upon completion, the Developer shall advance funds to the District necessary to fund the construction related expenses up to \$12,000,000 less the aggregate amount of verified construction costs incurred by the Developer through December 31, 2020. Simple interest accrues from the date the costs are incurred by the Developer at a rate of 8%. The District anticipates payment of the developer advances and/or verified costs to be from the proceeds of debt incurred by the District. Any obligation of the District to reimburse the Developer shall expire on December 31, 2056.

As of December 31, 2020, the District had no outstanding obligations under the FFA Agreement.

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 – DEBT AUTHORIZATION

As of December 31, 2020, the District had the following authorized by unissued indebtedness:

	Authorized May 3, 2016 Election	Authorization Used	Remaining at December 31, 2020
Streets	\$ 10,000,000	\$ 1,066,619	\$ 8,933,381
Parks and recreation	10,000,000	-	10,000,000
Water	10,000,000	216,482	9,783,518
Sanitation	10,000,000	642,899	9,357,101
Public transportation	10,000,000	-	10,000,000
Mosquito control	10,000,000	-	10,000,000
Safety Protection	10,000,000	-	10,000,000
Fire Protection	10,000,000	-	10,000,000
TV relay	10,000,000	-	10,000,000
Security services	10,000,000	-	10,000,000
Operations	10,000,000	-	10,000,000
Refunding	10,000,000	-	10,000,000
IGA Debt	10,000,000	-	10,000,000
	<u>\$ 130,000,000</u>	<u>\$ 1,926,000</u>	<u>\$ 128,074,000</u>

The District's service plan limits the total debt issued to \$10,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued debt.

NOTE 6 – AGREEMENTS

Intergovernmental Agreement with Aurora

The District and the City of Aurora (City) are parties to an intergovernmental agreement (City IGA) dated September 23, 2016, pursuant to the requirements of the Service Plan. Under the City IGA, the District covenants to dedicate certain public improvements to the City or other appropriate jurisdiction, and covenants that all improvements will be constructed in compliance with the City's standards and specifications. The City IGA states that the District is not authorized to operate and maintain improvements, other than park and recreation improvements and landscape, access and drainage are improvements within certain tracts, unless otherwise agreed to by the City. The District is required to impose a mill levy for Aurora regional improvements (the ARI Mill Levy). The ARI Mill Levy is defined in the Service Plan as: (i) for the first 20 years (beginning in the first year of collection of a debt service mill levy by the District), one mill; (ii) for the next 20 years, five mills; and (iii) for the next 10 years, a mill levy equal to the average debt service mill levy imposed by the District in the 10 years prior to the date of repayment of the debt it issued to construct nonregional improvements. The District levied 1.114 mills for collection in 2020 and 2021.

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 – FUND EQUITY

At December 31, 2020, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$7,907 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$3,100 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 10). The restricted fund balance in the Debt Service Fund in the amount of \$308,584 is to be used exclusively for debt service requirements (see Note 4).

NOTE 8 - NET POSITION

The District's net position consists of two components – restricted and unrestricted.

The restricted portion of net position includes amounts 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's restricted net position at December 31, 2020 is as follows:

Restricted net position:

Emergency reserves (see Note 11)	\$ 3,100
Debt Service	<u>171,817</u>
	<u><u>\$ 174,917</u></u>

The District's unrestricted net position at December 31, 2020 totaled \$(1,973,088). This deficit amount was a result of the District being responsible for repayment of bonds issued for public improvements conveyed to other governmental entities.

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 is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2020. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed

**HIGHLINE CROSSING METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On May 3, 2016, the District's electors authorized the District to increase taxes \$10,000,000 annually or by a lesser annual amount as may be necessary to pay the District's operations and maintenance and other expenses without limitation of rate. Further the District's electors authorized the District to collect, keep and expend all District revenues received in 2016 and each year thereafter, of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

Preliminary Draft
Subject to Revision

**HIGHLINE CROSSING METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2020**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 144,909	\$ 144,909	\$ -
Specific ownership taxes	5,000	9,609	4,609
Net investment income	5,000	1,542	(3,458)
Total Revenues	<u>154,909</u>	<u>156,060</u>	<u>1,151</u>
EXPENDITURES			
Bond principal	10,000	10,000	-
Bond interest	87,450	87,450	-
Miscellaneous	-	120	-
Paying agent and other fees	5,500	5,523	(23)
County treasurer's fees	2,174	2,176	(2)
IGA - Aurora	2,800	2,800	-
Miscellaneous	-	120	(120)
Contingency	10,000	-	10,000
Total Expenditures	<u>117,924</u>	<u>108,189</u>	<u>9,855</u>
NET CHANGE IN FUND BALANCE	36,985	47,871	11,006
FUND BALANCE - BEGINNING OF YEAR	<u>352,048</u>	<u>260,593</u>	<u>(91,455)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 389,033</u></u>	<u><u>\$ 308,464</u></u>	<u><u>\$ (80,449)</u></u>

OTHER INFORMATION

Preliminary Draft
Subject to Revision

**HIGHLINE CROSSING METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied				Property Taxes		Percentage Collected to Levied
		General	Debt	ARI	Total	Levied	Collected	
2017	\$ 461,013	65.000	0.000	0.000	65.000	\$ 29,966	\$ 29,966	100.0%
2018	\$ 591,861	14.000	55.277	1.106	70.383	\$ 41,657	\$ 41,658	100.0%
2019	\$ 1,578,497	14.000	55.277	1.106	70.383	\$ 111,100	\$ 111,100	100.0%
2020	\$ 2,552,213	18.000	55.664	1.114	74.778	\$ 190,849	\$ 190,849	100.0%
Estimated for year ending December 31, 2021	\$ 2,587,213	18.000	55.664	1.114	74.778	\$ 193,467		

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

Preliminary Draft
Subject to Revision

**HIGHLINE CROSSING METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2020**

**\$1,590,000 General Obligation Limited Tax
(Convertible to Unlimited Tax) Bonds, Series 2017A
Dated April 21, 2017
Interest Rate of 5.500%
Principal Due December 1**

Year Ending December 31,	Interest Due June 1 and December 1		
	Principal	Interest	Total
2021	\$ 15,000 *	\$ 86,900	\$ 101,900
2022	15,000 *	86,075	101,075
2023	15,000 *	85,250	100,250
2024	20,000 *	84,425	104,425
2025	20,000 *	83,325	103,325
2026	25,000 *	82,225	107,225
2027	25,000 *	80,850	105,850
2028	30,000 *	79,475	109,475
2029	30,000 *	77,825	107,825
2030	35,000 *	76,175	111,175
2031	35,000 *	74,250	109,250
2032	40,000 *	72,325	112,325
2033	45,000 *	70,125	115,125
2034	50,000 *	67,650	117,650
2035	50,000 *	64,900	114,900
2036	55,000 *	62,150	117,150
2037	60,000 *	59,125	119,125
2038	65,000 *	55,825	120,825
2039	70,000 *	52,250	122,250
2040	75,000 *	48,400	123,400
2041	80,000 *	44,275	124,275
2042	85,000 *	39,875	124,875
2043	90,000 *	35,200	125,200
2044	95,000 *	30,250	125,250
2045	100,000 *	25,025	125,025
2046	110,000 *	19,525	129,525
2047	245,000	13,475	258,475
	<u>\$ 1,580,000</u>	<u>\$ 1,657,150</u>	<u>\$ 3,237,150</u>

* sinking fund redemptions

HIGHLINE CROSSING METROPOLITAN DISTRICT

June 14, 2021

Schilling & Company, Inc.
PO Box 631579
Highlands Ranch, CO 80163

This representation letter is provided in connection with your audit of the financial statements of Highline Crossing Metropolitan District, which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2020, and the respective changes in financial for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of the Independent Auditor's Report the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 6, 2020.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units, if any, required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We have reviewed the attached Exhibit I of corrected misstatements and are in agreement with them. We have directed that these correcting entries be posted to the accounting records of the District.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management,
 - b) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented, if any.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 32) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 33) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- 34) Components of net position (restricted and unrestricted), and components of fund balance (nonspendable, restricted, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments are properly valued.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) The Management's Discussion and Analysis which is required supplementary information (RSI) has been omitted from the financial statements. We are aware that such information is required by accounting principles generally accepted in the United States.
- 44) With respect to the Supplementary Information as listed in the table of contents:
 - a) We acknowledge our responsibility for presenting the Supplementary Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplementary Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplementary Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the Supplementary Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 45) The District understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the District is in compliance.

46) We have directed that all banking and savings and loan institutions be notified of our assigned number which identifies that our deposits are subject to the respective Public Deposit Protection Act.

HIGHLINE CROSSING METROPOLITAN DISTRICT

Member of the Board of Directors

District Manager

Adj. Journal Entries
 Highline Crossing Metropolitan District
 12/31/2020
 Exhibit I

AJE No.	Account Description	W/P Ref	Account Number	Debits	Credits
1	Cash in Bank - First Bank	A-1-1	1-111	22,000.00	
1	Xpress Deposit Account		1-114		22,000.00
To record 12/28/20 transfer from XPress.					
2	Landscape Maintenance	302	1-640	2,251.29	
2	Snow removal		1-643		2,251.29
To reclassify landscape maintenance invoice at 12/31/20					
3	Due to City of Aurora	100	2-315		2,800.43
3	Aurora Expense		2-650	2,800.43	
To record due to ARTA as of 12/31/2020 for the 2020 taxes collected.					
Totals				27,051.72	27,051.72

**FIRST AMENDMENT TO RESOLUTION NO. 2016-09-09
HIGHLINE CROSSING METROPOLITAN DISTRICT
REGARDING COLORADO OPEN RECORDS ACT REQUESTS**

A. On September 23, 2016, Highline Crossing Metropolitan District (the “**District**”) adopted Resolution No. 2016-09-09 Regarding Colorado Open Records Act Requests (the “**Resolution**”).

B. The District desires to amend the Resolution due to a change in the District’s Official Custodian.

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

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Resolution.

2. Amendment to Section 1 of Resolution. Section 1 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“1. Special District Management Service, Inc., the Manager for the District, is hereby designated as the “**Official Custodian**” of the public records of the District, as such term is defined in Section 24-72-202(2), C.R.S. Contact information for the Official Custodian is: Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228; (303) 987-0835.”

3. Except as expressly set forth herein, the Resolution continues to be effective without modification.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO FIRST AMENDMENT TO RESOLUTION REGARDING
COLORADO OPEN RECORDS ACT REQUESTS]**

RESOLUTION APPROVED AND ADOPTED ON June 14, 2021.

**HIGHLINE CROSSING
METROPOLITAN DISTRICT**

By: _____
President

Attest:

Secretary

Bid Proposal



Proposal #:
50006635

Proposal Name: Detention Pond Clean out

Date: 04/22/21

AM: Matthew Rector

BID EXPIRES: 06/09/21

PROPOSAL SUBMITTED TO

Highline Crossing Metro District
9769 East Kansas Avenue
Aurora, CO 80247

FROM

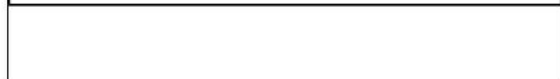
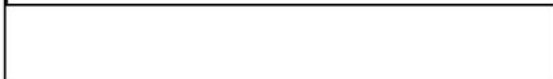
Emerald Isle Landscaping, Inc.
6849 S. Dawson Circle
Centennial, CO 80112

TO ACCEPT THIS PROPOSAL: Please send signed proposal to your Emerald Isle Representative.

PAYMENT TERMS
Net 30

DESCRIPTION	TOTAL
Property Enhancement	\$1,450.00

Clean out and dispose of all sediment in Detention Pond.
Remove all from site and dispose of off site.
Should be cleaned down to concrete



Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. Emerald Isle Landscaping, Inc. is authorized to do the work as specified. Payment will be made as outlined above. All terms and all pages of this contract are fully understood by all parties involved in the agreement.

NOTE: *All warranties NULL and VOID if payment is not received by due date.

AUTHORIZED SIGNATURE & DATE

X: _____

PROPOSED COST

Subtotal \$1,450.00

Sales Tax (0.00%) \$0.00

TOTAL \$1,450.00

Our Future Is Growing

OFFICE: 303.693.3072 / www.EmeraldIsleLandscaping.com





WARRANTY POLICY

1. All plant material supplied and installed by Emerald Isle landscaping is provided a one (1) year warranty, unless required otherwise by contract documents.
2. All irrigation parts and labor supplied and installed by Emerald Isle Landscaping are provided a one (1) year warranty.
3. If Emerald Isle Landscaping is the site landscape maintenance contractor for the site/property, any plant material, sod or seed installed by Emerald Isle Landscaping that dies or becomes stressed will be replaced during the warranty period. Replacement will be completed within (2) weeks of being detected.
4. The following will apply if Emerald Isle Landscaping does **NOT** perform landscape maintenance for the site / project:
 - a. Upon completion of the project, a sheet will be signed by the Project / Property Manager stating that all materials and craftsmanship is acceptable. A copy will be provided for the Owner and the original will be kept by Emerald Isle Landscaping.
 - b. An employee, representative or contractor from Emerald Isle will perform a site visit a minimum of one (1) time per month for the following year to check the status/health of all plant materials, sod and/or seed.
 - c. If any plant materials, sod or seed appear to be stressed due to the actions, omissions, **negligence**, improper maintenance, neglect, or failure to follow best care and practices, on the part of the owner, its affiliates, contractors, employees or assigns, Emerald Isle Landscaping will contact the owner describing the problem, and if mitigation is still possible, request immediate corrective action be taken. The Owner will have the option of paying Emerald Isle Landscaping to correct the situation at the then current hourly rates and material costs. The owner may elect to have the work completed by the site landscape maintenance person/contractor, but assumes all risk for failure to take appropriate corrective action.
 - d. Another site inspection will be conducted within the next three (3) weeks. If in the sole opinion of Emerald Isle Landscaping the corrective actions are not made by the next inspection, or if no mitigation is possible, the warranty for **all** plant material, sod and seed will be VOIDED IMMEDIATELY. In the event that the warranty is voided a letter will be sent to the Owner stating the reason why the warranty has been voided.
5. In no event shall any warranty cover the intentional or negligent acts or omissions of the owner or its employees, contractors, representatives or assignees. Nor shall the warranty apply to acts of vandalism, acts of god, including but not limited to excessive moisture, hail, wind, fire, flood, drought, or cold.
6. In the event that Emerald Isle does not receive prompt and full payment as per contract, the warranty shall be deemed to never have gone into effect.

Bid Proposal



**Proposal #:
50008377**

Proposal Name: Placement of 2 Boulders

Date: 04/26/21

AM: Matthew Rector

BID EXPIRES: 06/09/21

PROPOSAL SUBMITTED TO

FROM

Highline Crossing Metro District
9769 East Kansas Avenue
Aurora, CO 80247

Emerald Isle Landscaping, Inc.
6849 S. Dawson Circle
Centennial, CO 80112

TO ACCEPT THIS PROPOSAL: Please send signed proposal to your Emerald Isle Representative.

PAYMENT TERMS
Net 30

DESCRIPTION	TOTAL
Property Enhancement	\$1,435.00

Install 2 Boulders in the shown area to prevent cars from driving thru the area.

Space equal distance apart and with less than 6 feet in between..

https://www.google.com/maps/place/1336+S+Galena+St,+Denver,+CO+80202/@39.7494022,

1336 S Galena St - Google Maps

Google Maps 1336 S Galena St



Project: 62074 House, Technologies, Map data ©2021, 2019

1 of 2

4/26/2021 11:30 AM

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. Emerald Isle Landscaping, Inc. is authorized to do the work as specified. Payment will be made as outlined above. All terms and all pages of this contract are fully understood by all parties involved in the agreement.

NOTE: *All warranties NULL and VOID if payment is not received by due date.

AUTHORIZED SIGNATURE & DATE

X:  04 / 28 / 2021

PROPOSED COST

Subtotal \$1,435.00

Sales Tax (0.00%) \$0.00

TOTAL \$1,435.00

Our Future Is Growing

OFFICE: 303.693.3072 / www.EmeraldIsleLandscaping.com





WARRANTY POLICY

1. All plant material supplied and installed by Emerald Isle landscaping is provided a one (1) year warranty, unless required otherwise by contract documents.
2. All irrigation parts and labor supplied and installed by Emerald Isle Landscaping are provided a one (1) year warranty.
3. If Emerald Isle Landscaping is the site landscape maintenance contractor for the site/property, any plant material, sod or seed installed by Emerald Isle Landscaping that dies or becomes stressed will be replaced during the warranty period. Replacement will be completed within (2) weeks of being detected.
4. The following will apply if Emerald Isle Landscaping does **NOT** perform landscape maintenance for the site / project:
 - a. Upon completion of the project, a sheet will be signed by the Project / Property Manager stating that all materials and craftsmanship is acceptable. A copy will be provided for the Owner and the original will be kept by Emerald Isle Landscaping.
 - b. An employee, representative or contractor from Emerald Isle will perform a site visit a minimum of one (1) time per month for the following year to check the status/health of all plant materials, sod and/or seed.
 - c. If any plant materials, sod or seed appear to be stressed due to the actions, omissions, **negligence**, improper maintenance, neglect, or failure to follow best care and practices, on the part of the owner, its affiliates, contractors, employees or assigns, Emerald Isle Landscaping will contact the owner describing the problem, and if mitigation is still possible, request immediate corrective action be taken. The Owner will have the option of paying Emerald Isle Landscaping to correct the situation at the then current hourly rates and material costs. The owner may elect to have the work completed by the site landscape maintenance person/contractor, but assumes all risk for failure to take appropriate corrective action.
 - d. Another site inspection will be conducted within the next three (3) weeks. If in the sole opinion of Emerald Isle Landscaping the corrective actions are not made by the next inspection, or if no mitigation is possible, the warranty for **all** plant material, sod and seed will be VOIDED IMMEDIATELY. In the event that the warranty is voided a letter will be sent to the Owner stating the reason why the warranty has been voided.
5. In no event shall any warranty cover the intentional or negligent acts or omissions of the owner or its employees, contractors, representatives or assignees. Nor shall the warranty apply to acts of vandalism, acts of god, including but not limited to excessive moisture, hail, wind, fire, flood, drought, or cold.
6. In the event that Emerald Isle does not receive prompt and full payment as per contract, the warranty shall be deemed to never have gone into effect.

TITLE	Boulder Proposal
FILE NAME	highline crossing boulders (002).pdf
DOCUMENT ID	127e7c4314870c4f75dd526434c4f0b38fd3af03
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Completed

Document History



SENT

04 / 28 / 2021
18:00:16 UTCSent for signature to Doug Secord (phxdoug@gmail.com) from dsolin@sdmsi.com
IP: 50.78.200.153

VIEWED

04 / 28 / 2021
18:19:45 UTCViewed by Doug Secord (phxdoug@gmail.com)
IP: 174.248.255.153

SIGNED

04 / 28 / 2021
18:20:51 UTCSigned by Doug Secord (phxdoug@gmail.com)
IP: 174.248.255.153

COMPLETED

04 / 28 / 2021
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The document has been completed.