

**ANNUAL INFORMATION REPORT
for the year 2022**

**HARVEST CROSSING METROPOLITAN DISTRICT NO. 3
(f/k/a Villages at Murphy Creek Metropolitan District No. 1)**

As required by Section 32-1-207(3)(c), C.R.S. and Section VIII of the District's Service Plan, the following report of the activities of Harvest Crossing Metropolitan District No. 3 (the "District") from January 1, 2022 to December 31, 2022 is hereby submitted.

- (1) **Boundary changes made or proposed to the District's boundary as of December 31 of the report year.** No boundary changes were made or proposed as of December 31, 2022.
- (2) **Intergovernmental Agreement with other governmental entities entered into, proposed, or terminated as of December 31 of the report year.** The District entered into a Revenue Pledge Agreement with Harvest Crossing Metropolitan District No. 4 on June 3, 2022.
- (3) **Copies of the District's rules and regulations, if any, as of December 31 of the report year / Access information to obtain a copy of rules and regulations adopted.** The District has not adopted any rules and regulations as of December 31, 2022. In the event the District adopts such in the future, they may be accessed at the offices of Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, or on the District's website: <https://harvestcrossingmetrodistricts1-4.com>.
- (4) **A summary of any litigation which involved the District Public Improvements as of December 31 of the report year.** The District was not involved in any litigation during 2022.
- (5) **Status of the District's construction of the Public Improvements as of December 31 of the report year.** Construction of certain street, sewer, water, and parks and recreation improvements commenced in 2022.
- (6) **A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the report year.** None.
- (7) **The assessed valuation of the District for the current year.** The final assessed valuation of the District for 2022 is \$3,707.
- (8) **Current year budget including a description of the Public Improvements to be constructed in such year.** The 2023 Budget is attached hereto as **Exhibit A**. Construction of public improvements is anticipated to continue in 2023.

- (9) **Audit of the District’s financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.** The District has filed an extension for the 2022 Audit. The 2022 Audit will be provided when filed.
- (10) **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.** To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.
- (11) **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.** To our knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A

2023 Budget

HARVEST CROSSING METROPOLITAN DISTRICT NO. 3
(FORMERLY VILLAGES AT MURPHY CREEK METROPOLITAN DISTRICT NO. 1)

2023 Budget Message

Introduction

The Harvest Crossing Metropolitan District No. 3 (“District No. 3”) was originally formed as the Villages at Murphy Creek Metropolitan District No. 1 in 2007 for the purpose of providing design, financing, acquisition, and construction of certain infrastructure including water improvements, street improvements, sanitary sewer improvements, park and recreation improvements and traffic and safety controls. When appropriate, these improvements have been, or will be, dedicated to the City of Aurora, or such other entities as appropriate for the use and benefit of the District taxpayers and service users. The District went into Inactive Status in 2010, and returned to Active Status in 2021.

The 2023 budget was prepared in accordance with the Local Budget Law of Colorado. The budget reflects the projected spending plan for the 2023 fiscal year based on available revenues. This budget provides for the general operation of the District and debt service expenditures.

The District’s Service Plan authorizes an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2004, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property taxes commencing on and after January 1, 2017, and House Bill 19-255 setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%), commencing on January 1, 2019 until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property. For 2023 the rate was adjusted to 6.95%. The Service Plan allows for a total mill levy imposition, as noted in the following paragraph, so the District’s revenue is neither diminished nor enhanced.

The District’s 2022 assessed value is \$3,707. The District’s mill levy is 66.778 for taxes collected in 2023. Of the 66.778 mills, 55.664 mills are dedicated to the Debt Service Fund, 10.000 mills are dedicated to the General Fund, and 1.114 mills are dedicated to the Aurora Regional Infrastructure Agreement.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District’s funds are considered governmental funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are

considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government.

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

The **Debt Service Fund** is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. On December 9, 2021, the District issued General Obligation (Limited Tax General Obligation Bonds), Series 2021A(3) in the amount of \$12,358,000. Below is a summary of the District's long-term scheduled debt payments for the obligation:

Villages at Murphy Creek Metropolitan District No. 1			
Limited Tax General Obligation Bonds, Series 2021A(3)			
Year Ending December 31,	Principal	Interest	Total
2022	\$ -	\$ -	\$ -
2023	-	-	-
2024	-	39,723	39,723
2025	-	267,105	267,105
2026	-	643,631	643,631
2027	-	831,972	831,972
2028	-	882,130	882,130
2029	-	882,130	882,130
2030	-	935,298	935,298
2031	-	935,298	935,298
2032	-	991,656	991,656
2033	-	991,656	991,656
2034	-	1,051,395	1,051,395
2035	-	1,051,395	1,051,395
2036	-	1,114,719	1,114,719
2037	-	1,114,719	1,114,719
2038	-	1,181,842	1,181,842
2039	37,000	1,144,701	1,181,701
2040	575,000	677,655	1,252,655
2041	607,000	646,030	1,253,030
2042	716,000	612,645	1,328,645
2043	755,000	573,265	1,328,265
2044	876,000	531,740	1,407,740
2045	925,000	483,560	1,408,560
2046	1,061,000	432,685	1,493,685
2047	1,118,000	374,330	1,492,330
2048	1,271,000	312,840	1,583,840
2049	1,340,000	242,935	1,582,935
2050	1,508,000	169,235	1,677,235
2051	1,569,000	86,295	1,655,295
Totals	\$ 12,358,000	\$ 19,202,587	\$ 31,560,585

Emergency Reserve

As required by Section 20 of Article X of the Colorado Constitution (“TABOR”) the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenue in the General Fund.

HARVEST CROSSING METROPOLITAN DISTRICT NO. 3
Assessed Value, Property Tax and Mill Levy Information

	2021 Actual		2022 Adopted Budget		2023 Adopted Budget
Assessed Valuation	\$ -		\$ 1,772		\$ 3,707
Mill Levy					
General Fund	-		10.000		10.000
Debt Service Fund	-		55.664		55.664
ARI Mill Levy	-		1.114		1.114
Total Mill Levy	<u>-</u>		<u>66.778</u>		<u>66.778</u>
Property Taxes					
General Fund	\$ -		\$ 18		\$ 37
Debt Service Fund	-		99		206
ARI Mill Levy	-		2		4
Actual/Budgeted Property Taxes	<u>\$ -</u>		<u>\$ 119</u>		<u>\$ 247</u>

HARVEST CROSSING METROPOLITAN DISTRICT NO. 3

**GENERAL FUND
2023 Adopted Budget
with 2021 Actual, 2022 Adopted Budget, and 2022 Estimated**

	2021 Actual	01/22-07/22 YTD Actual	2022 Adopted Budget	2022 Estimated	2023 Adopted Budget
BEGINNING FUND BALANCE	\$ -	\$ (16,577)	\$ 1,500	\$ (16,577)	\$ 3,779
REVENUE					
Property Tax Revenue	-	18	18	18	37
Specific Ownership Taxes	-	0	-	-	-
ARI Mill Levy	-	2	2	2	-
Total Revenue	-	20	20	20	37
Total Funds Available	-	(16,557)	1,520	(16,557)	3,816
EXPENDITURES					
Audit	-	-	1,000	5,000	5,500
Election	-	1,169	-	1,169	1,200
Insurance/SDA Dues	200	5,493	3,500	5,493	6,000
Accounting	3,892	11,050	8,000	15,000	9,000
Legal	-	16,262	15,000	20,000	15,000
Management	9,846	9,574	15,000	15,000	16,300
Miscellaneous	2,639	6,668	3,000	8,000	3,000
ARI Mill Levy	-	-	2	2	-
Contingency	-	-	3,000	-	3,000
Treasurer Fees	-	0	-	-	-
Total Expenditures	16,577	50,216	48,502	69,664	59,000
Transfers and Other Sources (Uses)					
Emergency Reserve	-	-	(1,500)	-	1
Developer Advances	-	60,615	50,000	90,000	60,000
Total Expenditures Requiring Appropriation	16,577	50,216	50,000	69,664	59,000
ENDING FUND BALANCE	\$ (16,577)	\$ (6,157)	\$ 1,520	\$ 3,779	\$ 4,816

HARVEST CROSSING METROPOLITAN DISTRICT NO. 3

**DEBT SERVICE FUND
2023 Adopted Budget
with 2021 Actual, 2022 Adopted Budget and 2022 Estimated**

	2021 Actual	01/22-07/22 YTD Actual	2022 Adopted Budget	2022 Estimated	2023 Adopted Budget
BEGINNING FUND BALANCE	\$ (8,126)	\$ 11,828,317	\$ -	\$ 11,828,317	\$ 11,042,418
REVENUE					
Property Tax Revenue	-	99	99	99	206
Specific Ownership Taxes	-	3	-	3	-
Bond Proceeds 2021A	-	-	-	-	-
Interest Income	-	42,134	-	115,000	150,000
Total Revenue	-	42,235	99	115,102	150,206
Total Funds Available	(8,126)	11,870,552	99	11,943,419	11,192,624
EXPENDITURES					
Treasurer Fees	-	1	1	1	1
Trustee Fees	-	1,161	-	1,000	1,000
Bond Issuance Costs	274,397	-	-	-	-
Underwriter Discount	247,160	-	-	-	-
Total Expenditures	521,557	1,162	1	1,001	1,001
Transfers and Other Sources (Uses)					
Bond Proceeds 2021A	12,358,000	-	-	-	-
Transfer to Capital Projects	-	(235,665)	-	(900,000)	(11,191,623)
Total Expenditures Requiring Appropriation	521,557	236,827	1	901,001	11,192,624
ENDING FUND BALANCE	\$ 11,828,317	\$ 11,633,725	\$ 98	\$ 11,042,418	\$ -

HARVEST CROSSING METROPOLITAN DISTRICT NO. 3

**CAPITAL PROJECTS FUND
2023 Adopted Budget
with 2021 Actual, 2022 Adopted Budget and 2022 Estimated**

	2021 Actual	01/22-07/22 YTD Actual	2022 Adopted Budget	2022 Estimated	2023 Adopted Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 13,500,000	\$ -	\$ -
Total Funds Available	-	-	13,500,000	-	-
EXPENDITURES					
Capital Outlay	-	235,665	13,500,000	898,000	10,941,623
Engineering	-	900	-	2,000	250,000
Total Expenditures	-	236,565	13,500,000	900,000	11,191,623
Transfers and Other Sources (Uses)					
Transfer from Debt Service	-	235,665	-	900,000	(11,191,623)
Total Expenditures Requiring Appropriation	-	236,565	13,500,000	900,000	11,191,623
ENDING FUND BALANCE	\$ -	\$ (900)	\$ -	\$ -	\$ -