

**ANNUAL INFORMATION REPORT
for the year 2022**

**HARVEST CROSSING METROPOLITAN DISTRICT NO. 4
(f/k/a Villages at Murphy Creek Metropolitan District No. 2)**

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. 4 (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.** The District included 72.894 acres of land into the boundaries of the District. The Order for Inclusion was recorded with the Arapahoe County Clerk and Recorder at Reception Number E2048120 on April 29, 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. 3 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 \$2,379.
- (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. 4
(FORMERLY VILLAGES AT MURPHY CREEK METROPOLITAN DISTRICT NO. 2)

2023 Budget Message

Introduction

The Harvest Crossing Metropolitan District No. 4 (“District No. 4”) was originally formed as the Villages at Murphy Creek Metropolitan District No. 2 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 authorize an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2004, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property taxes commencing on and after January 1, 2017, and House Bill 19-255 setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%), 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 the 2023 calendar year that ration 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 \$2,379.00. The District’s mill levy is 66.778 for taxes collected in 2023. 10.000 mills are dedicated to the General Fund and 56.778 Mills are dedicated to the Debt Service Fund.

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.

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 #4
Assessed Value, Property Tax and Mill Levy Information

	2021	2022	2023
	Actual	Adopted Budget	Adopted Budget

Assessed Valuation		\$0	\$145	\$2,379
Mill Levy				
General Fund		0.000	65.664	10.000
Debt Service Fund		0.000	0.000	56.778
Temporary Mill Levy Reduction		0.000	0.000	0.000
Refunds and Abatements		0.000	0.000	0.000
Total Mill Levy		0.00	65.664	66.778
Property Taxes				
General Fund	\$	-	\$ 10	\$ 24
Debt Service Fund	\$	-	\$ -	\$ 135
Temporary Mill Levy Reduction	\$	-	\$ -	\$ -
Refunds and Abatements	\$	-	\$ -	\$ -
Actual/Budgeted Property Taxes	\$	-	\$ 10	\$ 159

Harvest Crossing Metropolitan District #4
Preliminary 2023 Budget, with 2021 Actual, 2022 Adopted Budget and 2022 Estimated

General Fund

	2021 Actual	01/22 - 11/22 Actual	2022 Adopted Budget	2022 Estimated	2023 Adopted Budget
Beginning Funds Available	\$ -	\$ -	\$ 1,500	\$ -	\$ 11
Revenue					
Property Taxes	-	9	10	10	24
Specific Ownership Taxes	-	1	-	1	-
Developer Advance	-	13,958	50,000	23,075	60,000
Miscellaneous Income	-	-	-	-	-
Total Revenue	-	13,968	50,010	23,086	60,024
Total Funds Available	\$ -	\$ 13,968	\$ 51,510	\$ 23,086	\$ 60,035
Expenditures					
Audit/Exemption	-	-	1,000	-	5,000
Election	-	578	-	578	3,000
Insurance	-	4,497	3,500	4,497	5,000
Accounting	-	1,688	8,000	4,000	8,000
Legal	-	-	15,000	3,000	15,000
Management	-	6,959	15,000	10,000	15,000
Miscellaneous	-	236	3,000	1,000	3,000
Contingency	-	-	3,000	-	4,495
Treasurer's Fees	-	-	-	-	1
Total Expenditures	\$ -	\$ 13,958	\$ 48,500	\$ 23,075	\$ 58,496
Emergency Reserve	-	-	1,500	-	1,500
Total Expenditures Requiring Appropriation	\$ -	\$ 13,958	\$ 50,000	\$ 23,075	\$ 59,996
Ending Funds Available	\$ -	\$ 10	\$ 1,510	\$ 11	\$ 39

Harvest Crossing Metropolitan District #4

Adopted 2023 Budget, with 2021 Actual, 2022 Adopted Budget and 2022 Estimated

Debt Service

	2021 Actual	01/22 - 11/22 Actual	2022 Adopted Budget	2022 Estimated	2023 Adopted Budget
Beginning Funds Available	\$ -	\$ -	\$ -	\$ -	\$ 12,500,367
Revenue					
Property Taxes	-	-	-	-	135
Specific Ownership Taxes	-	-	-	-	-
Bond Proceeds	-	12,913,000	-	12,913,000	-
Developer Advance	-	6,000	-	6,000	60,000
Interest Income	-	150,531	-	190,000	360,000
Miscellaneous Income	-	-	-	-	-
Total Revenue	-	13,069,531	-	13,109,000	420,135
Total Funds Available	\$ -	\$ 13,069,531	\$ -	\$ 13,109,000	\$ 12,920,502
Expenditures					
Bond Principal	-	-	-	-	-
Bond Interest	-	-	-	578	-
Cost of Issuance	-	332,795	-	332,795	-
Underwriter Discount	-	258,260	-	258,260	-
Legal	-	-	-	3,000	15,000
Trustee Fees	-	6,000	-	6,000	6,000
Miscellaneous	-	6,672	-	8,000	5,000
Contingency	-	-	-	-	14,000
Treasurer's Fees	-	-	-	-	-
Total Expenditures	\$ -	\$ 603,726	\$ -	\$ 608,633	\$ 40,000
Emergency Reserve	-	-	-	-	12,604
Transfer to Capital Projects	-	-	-	-	12,867,898
Total Expenditures Requiring Appropriation	\$ -	\$ 603,726	\$ -	\$ 608,633	\$ 12,920,502
Ending Funds Available	\$ -	\$ 12,465,805	\$ -	\$ 12,500,367	\$ -

Harvest Crossing Metropolitan District #4

Adopted 2023 Budget, with 2021 Actual, 2022 Adopted Budget and 2022 Estimated

Capital Projects Fund

	2021 Actual	01/22 - 11/22 Actual	2022 Adopted Budget	2022 Estimated	2023 Adopted Budget
Beginning Funds Available	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue					
Property Taxes	-	-	-	-	-
Specific Ownership Taxes	-	-	-	-	-
Developer Advance	-	900	-	900	50,000
Transfer From Debt Service	-	-	-	-	12,867,898
Miscellaneous Income	-	-	-	-	-
Total Revenue	-	900	-	900	12,917,898
Total Funds Available	\$ -	\$ 900	\$ -	\$ 900	\$ 12,917,898
Expenditures					
Engineering	-	900	-	900	20,000
Accounting	-	-	-	-	-
Capital Projects	-	-	-	-	12,867,898
Legal	-	-	-	-	15,000
Management	-	-	-	-	3,500
Miscellaneous	-	-	-	-	3,000
Contingency	-	-	-	-	8,500
Treasurer's Fees	-	-	-	-	-
Total Expenditures	\$ -	\$ 900	\$ -	\$ 900	\$ 12,917,898
Emergency Reserve	-	-	-	-	-
Total Expenditures Requiring Appropriation	\$ -	\$ 900	\$ -	\$ 900	\$ 12,917,898
Ending Funds Available	\$ -	\$ -	\$ -	\$ -	\$ -