

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

**2022 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 2022 budget was prepared in accordance with the Local Budget Law of Colorado. The budget reflects the projected spending plan for the 2022 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. 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 2021 assessed value is \$1,772. The District’s mill levy is 66.778 for taxes collected in 2022. 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. District No. 2's primary expenditure in 2022 is a transfer to District No. 1.

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
<b>Totals</b>	<b>\$ 12,358,000</b>	<b>\$ 19,202,587</b>	<b>\$ 31,560,585</b>

### **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 #3**  
**Assessed Value, Property Tax and Mill Levy Information**

2020	2021	2022
Actual	Adopted Budget	Adopted Budget

Assessed Valuation	\$0	\$0	\$1,772
Mill Levy			
General Fund	0.000	0.000	10.000
Debt Service Fund	0.000	0.000	55.664
ARI Mill Levy	0.000	0.000	1.114
Temporary Mill Levy Reduction	0.000	0.000	0.000
Refunds and Abatements	0.000	0.000	0.000
Total Mill Levy	0.00	0.00	66.778
Property Taxes			
General Fund	\$ - \$	- \$	18
Debt Service Fund	\$ - \$	- \$	99
ARI Mill Levy	- -	\$	2
Temporary Mill Levy Reduction	\$ - \$	- \$	-
Refunds and Abatements	\$ - \$	- \$	-
Actual/Budgeted Property Taxes	\$ - \$	- \$	118

## Harvest Crossing Metropolitan District # 3

### Adopted 2022 Budget, with 2020 Actual, 2021 Adopted Budget and 2021 Estimated

#### General Fund

	2020 Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
<b>Beginning Funds Available</b>	\$ -	\$ -	\$ -	\$ 1,500
<b>Revenue</b>				
Property Taxes	-	-	-	18
Specific Ownership Taxes	-	-	-	-
Developer Advance	-	50,000	50,000	50,000
ARI Mill Levy	-	-	-	2
Miscellaneous Income	-	-	-	-
<b>Total Revenue</b>	-	50,000	50,000	50,020
<b>Total Funds Available</b>	\$ -	\$ 50,000	\$ 50,000	\$ 51,520
<b>Expenditures</b>				
Audit/Exemption	-	1,000	1,000	1,000
Election	-	-	-	-
Insurance	-	3,500	3,500	3,500
Accounting	-	8,000	8,000	8,000
Legal	-	15,000	15,000	15,000
Management	-	15,000	15,000	15,000
Miscellaneous	-	3,000	3,000	3,000
ARI Mill Levy	-	-	-	2
Contingency	-	3,000	3,000	3,000
Treasurer's Fees	-	-	-	-
<b>Total Expenditures</b>	\$ -	\$ 48,500	\$ 48,500	\$ 48,500
Emergency Reserve	-	1,500	-	1,500
<b>Total Expenditures Requiring Appropriation</b>	\$ -	\$ 50,000	\$ 48,500	\$ 50,000
<b>Ending Funds Available</b>	\$ -	\$ 50,000	\$ 1,500	\$ 1,520

**Harvest Crossing Metropolitan District #3**  
**Adopted 2022 Budget, with 2020 Actual, 2021 Adopted Budget and 2021 Estimated**

**Debt Service Fund**

	2020 Actual		2021 Adopted Budget		2021 Estimated		2022 Adopted Budget	
<b>Beginning Funds Available</b>	\$	-	\$	-	\$	-	\$	-
<b>Revenue</b>								
Property Taxes		-		-		-		99
Specific Ownership Taxes		-		-		-		-
Developer Advance		-		-		-		-
Miscellaneous Income		-		-		-		-
Bond Proceeds		-		14,000,000		14,000,000		-
<b>Total Revenue</b>		-		-		-		99
<b>Total Funds Available</b>	\$	-	\$	14,000,000	\$	14,000,000	\$	99
<b>Expenditures</b>								
Treasurer's Fees		-		-		-		1
Bond Principal		-		-		-		-
Bond Interest		-		-		-		-
Miscellaneous		-		-		-		-
Contingency		-		-		-		-
Treasurer's Fees		-		-		-		-
Costs of Bond Issuance		-		500,000		500,000		
<b>Total Expenditures</b>	\$	-	\$	500,000	\$	500,000	\$	1
Transfer to Capital Projects		-		13,500,000		13,500,000		-
<b>Total Expenditures Requiring Appropriation</b>	\$	-	\$	14,000,000	\$	14,000,000	\$	1
<b>Ending Funds Available</b>	\$	-	\$	-	\$	-	\$	98

**Harvest Crossing Metropolitan District #3**  
**Adopted 2022 Budget, with 2020 Actual, 2021 Adopted Budget and 2021 Estimated**

**Capital Projects Fund**

	2020 Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
<b>Beginning Funds Available</b>	\$ -	\$ -	\$ -	\$ 13,500,000
<b>Revenue</b>				
Property Taxes	-	-	-	-
Specific Ownership Taxes	-	-	-	-
Developer Advance	-	-	-	-
Miscellaneous Income	-	-	-	-
Transfer from Debt Service	-	13,500,000	13,500,000	-
<b>Total Revenue</b>	-	13,500,000	13,500,000	-
<b>Total Funds Available</b>	\$ -	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000
<b>Expenditures</b>				
Capital Outlay	-	-	-	13,500,000
Repay Developer Advance	-	-	-	-
Accounting	-	-	-	-
Legal	-	-	-	-
Management	-	-	-	-
Miscellaneous	-	-	-	-
Contingency	-	-	-	-
<b>Total Expenditures</b>	\$ -	\$ -	\$ -	\$ 13,500,000
<b>Total Expenditures Requiring Appropriation</b>	\$ -	\$ -	\$ -	\$ 13,500,000
<b>Ending Funds Available</b>	\$ -	\$ 13,500,000	\$ 13,500,000	\$ -