

**Shareholders**

Paul R. Cockrel
Evan D. Ela
Linda M. Glesne
David A. Greher
Matthew P. Ruhland

Associates

Joseph W. Norris
Harley G. Gifford
Madison D. Phillips

Paralegals

Micki Mills
Sarah Luetjen

August 1, 2022

VIA E-MAIL

City Clerk
City of Aurora
15151 E. Alameda Parkway
Aurora, CO 80012

**Re: The Aurora Highlands Metropolitan District No. 3,
f/k/a Green Valley Ranch East Metropolitan District No. 4
Annual Report for the Calendar Year 2021**

Dear Clerk:

The following information and documents (attached as exhibits) are provided for calendar year 2021 pursuant to Section VIII of the District's Consolidated Second Amended and Restated Service Plan (the "**Service Plan**") of The Aurora Highlands Metropolitan District No. 3, f/k/a Green Valley Ranch East Metropolitan District No. 4 (the "**District**") approved by the City Council of the City of Aurora ("**City**") and filed with the District Court:

a. **Boundary changes made or proposed to the District's boundary, as of December 31 of the prior year.**

There were no boundary changes made or proposed to the District's boundary, as of December 31, 2021.

b. **Intergovernmental Agreements with other governmental entities entered into or proposed, as of December 31 of the prior year.**

Relationship to The Aurora Highlands Community Authority Board. As of November 21, 2019, and pursuant to The Aurora Highlands Community Authority Board Second Amended and Restated Establishment Agreement, dated April 27, 2022 (the "CAB" and the "Second A/R CABEA," respectively), the CAB has been organized to, inter alia, (a) facilitate the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and operation and maintenance of the Public Improvements; and (b) provide certain services contemplated by the Service Plans of the District, The Aurora Highlands Metropolitan District Nos. 1 & 2 (collectively "TAH Nos. 1 & 2"), Aerotropolis Area Coordinating Metropolitan District ("AACMD"), First Creek Ranch Metropolitan District, now known as The Aurora Highlands Metropolitan District No. 6 ("TAH No. 6"), and ATEC Metropolitan

District Nos. 1 & 2 (collectively the “ATEC Districts”, and together with the District, TAH Nos. 1 & 2, AACMD and TAH No. 6, the “CAB Districts”) on behalf of the CAB Districts, including covenant enforcement and design review services. Pursuant to the Second A/R CABEA, the CAB has (i) entered into intergovernmental agreements with other governmental entities, (ii) adopted rules and regulations, (iii) conducted an audit, and (iv) issued debt to facilitate the construction of Public Improvements.

On December 22, 2021, the CAB issued its Special Tax Revenue Refunding and Improvement Bonds, Series 2021A (the “2021A Bonds”) and its Subordinate Special Tax Revenue Draw Down Bonds, Series 2021B (the “2021B Bonds” and, together with the 2021A Bonds, the “CAB Bonds”) for the purpose of (a) refunding debt previously issued by the CAB, paying or reimbursing for the costs of Public Improvements, and (c) paying the costs of issuing the CAB Bonds. The CAB Bonds, which rely on and are allocated against the debt authority of the CAB Districts, are secured, in part, by a pledge of revenues from certain of the CAB Districts, including the District. The issuance of the CAB Bonds is reflected in the CAB’s 2021 Audit, which is attached to this Annual Report.

- *Intergovernmental Agreement Regarding Imposition, Collection and Transfer to ARI Mill Levies.* On October 12, 2021, the District, TAH Nos. 1 & 2, AACMD and ARTA entered into an Intergovernmental Agreement to set forth the parties’ understanding regarding the process by which the District and TAH MD Nos. 1 & 2 will impose, collect and transfer to ARTA their respective ARI Mill Levies.

- *Amended and Restated Mill Levy Allocation Policy Agreement.* On December 22, 2021, the District, TAH Nos. 1 & 2, the CAB, AACMD and the ATEC Districts entered into the Amended and Restated Mill Levy Allocation Policy Agreement to evidence the mutual benefits enjoyed by the parties from the provision, operation and maintenance of the Public Improvements (as defined therein) and the obligations of the District, TAH Nos. 2 &3, AACMD and the ATEC Districts to impose and collect required debt service mill levies to ensure the timely repayment of the CAB Bonds.

c. **Copies of the District’s rules and regulations, if any as of December 31 of the prior year:**

No rules and regulations have been established as of December 31, 2021.

d. **A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year:**

There is no litigation, pending or threatened, against the District of which we are aware.

e. **Status of the District’s construction of the Public Improvements as of December 31 of the prior year:**

The District did not directly construct any Public Improvements in 2021, however, the District is a party to certain agreements pursuant to which it is responsible, together with District No. 1, District

No. 2, ATEC Metropolitan District No. 1 and ATEC Metropolitan District No. 2, for the funding of certain improvements constructed by AACMD. The following Public Improvements were constructed by AACMD, in its capacity as the Program Manager for ARTA and as the coordinator of construction projects for the CAB, of which the CAB Districts are members:

- i. Grading/Stormwater Management; and
- ii. Site Utilities (Water, Sanitary Sewer, Storm Drainage Facilities); and
- iii. Project Monumentation.

f. **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 prior year:**

No facilities or improvements constructed by the District were dedicated to or accepted by the City during the reporting period.

g. **The assessed valuation of the District for the current year:**

The current assessed valuation of the District is \$40. A copy of the 2021 certification of assessed valuation from Adams County is attached hereto as Exhibit A.

h. **Current year budget including a description of the Public Improvements to be constructed in such year:**

Copies of the 2022 Budgets for the District and the CAB are attached hereto as Exhibit D and E, respectively. Public Improvements anticipated to be constructed by AACMD within the District boundaries during 2022 include the following:

- i. Grading/Stormwater Management;
- ii. Site Utilities (Water, Sanitary Sewer, Storm Drainage Facilities);
- iii. Roadway Lighting/Traffic Control;
- iv. Curb, Gutter, Walks/Trails;
- v. Asphalt Paving;
- vi. Street and Hardscape;
- vii. Landscape and Irrigation; and
- viii. Project Monumentation.



i. **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 was exempt from an audit for the year ending December 31, 2021. A copy of the District's 2021 Application for Exemption from Audit is attached hereto as Exhibit C.

j. **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument:**

There were no uncured events of default during the reporting period.

k. **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:**

There were no instances of the District's inability to pay its obligations during the reporting period.

Please feel free to contact me if you have any questions. Thank you.

Sincerely,

A blue ink signature of Matthew P. Ruhland, written in a cursive style.

Matthew P. Ruhland

MPR/sl

cc: State Auditor
Division of Local Government

EXHIBIT A
Assessed Valuation

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **240 - AURORA HIGHLANDS METRO DISTRICT NO 3**

IN ADAMS COUNTY ON 11/30/2021

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2021 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$40
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$40
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$40
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2021 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2021

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$155
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2021

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

EXHIBIT B
2022 Budget

THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2022

THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/4/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	3	3
Other revenue	-	100	100
Total revenues	-	103	103
Total funds available	-	103	103
EXPENDITURES			
General and administrative			
Intergovernmental transfer- CAB	-	3	3
Contingency	-	100	100
Total expenditures	-	103	103
Total expenditures and transfers out requiring appropriation	-	103	103
ENDING FUND BALANCE	\$ -	\$ -	\$ -

THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/4/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ 40	\$ 40	\$ 40
Certified Assessed Value	\$ 40	\$ 40	\$ 40
MILL LEVY			
General	0.000	77.930	77.930
ARI	0.000	0.000	0.556
Total mill levy	0.000	77.930	78.486
PROPERTY TAXES			
General	\$ -	\$ 3	\$ 3
ARI	-	-	-
Levied property taxes	-	3	3
Budgeted property taxes	\$ -	\$ 3	\$ 3
BUDGETED PROPERTY TAXES			
General	\$ -	\$ 3	\$ 3
ARI	-	-	-
	\$ -	\$ 3	\$ 3

THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District (formerly known as Green Valley Ranch East Metropolitan District No. 4) was organized by Court Order dated November 15, 2004, to provide financing for the construction and installation of public improvements, including streets, traffic safety, water, sanitary sewer, park and recreation, public transportation, mosquito control, fire protection, and television relay improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District's service plan does not authorize the District to provide fire protection or television relay services unless the District enters into an intergovernmental agreement with the City of Aurora (City). The District was formed in conjunction with seven other metropolitan districts: Aerotropolis Area Coordinating Metropolitan District ("AACMD") (formerly known as Green Valley Ranch East Metropolitan District No. 1), The Aurora Highlands Metropolitan District Nos. 1 and 2 ("TAH Nos. 1-2") (formerly known as Green Valley Ranch East Metropolitan District Nos. 2 and 3), Green Valley Aurora Metropolitan District No. 1 ("GVA No. 1") (formerly known as Green Valley Ranch East Metropolitan District No. 5), and Green Valley Ranch East Metropolitan District Nos. 6-8 (collectively the "Districts"). It is anticipated that the Districts will enter into an intergovernmental agreement which shall govern the relationships between and among the Districts with respect to the financing, construction, and operation of the regional public improvements. The District's service area is located in Adams County, Colorado, entirely within the City. The Court Order granting the District's name change to The Aurora Highlands Metropolitan District No. 3 was recorded on August 16, 2017.

On November 2, 2004, the District voters approved a mill levy increase to generate property taxes of up to \$5,000,000 annually to pay, in part, the District's general cost of operations and maintenance. The mill levy is on all taxable property within the District for collection in 2005 and each year thereafter. Furthermore, the voters authorized the District to collect and expend levied taxes and any other income of the District without regard to any limitations imposed by TABOR. The total debt authorized in 2004 for all services and improvements was \$2,405,000,000. On November 8, 2016, the District voters approved a mill levy increase of up to \$4,000,000,000 annually to pay, in part, the District's general costs of operations and maintenance. The total debt authorized in 2016 for all services and improvements was \$52,000,000,000. The District's current service plan limits the total debt issuance to \$4,000,000,000, with a maximum debt mill levy of 50.000 mills, which can be adjusted for changes in the methods of calculating assessed valuation after January 1, 2006.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to the financing and construction of the public improvements, and the repayment of the associated debt.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Section 29-1-105, C.R.S., using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (Continued)

AACMD, the City of Aurora and Adams County have established the Aerotropolis Regional Transportation Authority (“ARTA”), pursuant to an intergovernmental agreement entered into on February 27, 2018, under the authority of the Regional Transportation Authority Law, Section 43-4-601, *et seq.*, C.R.S., in order to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements. Beginning in 2019, ARTA will impose an ARTA Mill Levy on the District. The District will deposit revenues from the ARTA Mill Levy with AACMD to provide for financing of the regional improvements through ARTA. If the ARTA Mill Levy in any given year is less than 5 mills, the District will impose an Aurora Regional Improvements (“ARI”) Mill Levy and will deposit the ARI Mill Levy revenues with AACMD to be spent only pursuant to a Regional Intergovernmental Improvements Agreement.

On November 21, 2019, the District, AACMD, TAH Nos. 1 and 2, and ATEC Metropolitan District Nos. 1 and 2 (“ATEC Nos. 1 and 2”, and collectively with the District, AACMD and TAH Nos. 1 and 2, the “CAB Districts”) formed The Aurora Highlands Community Authority Board (“CAB”) pursuant to intergovernmental agreement to govern the relationships between and among the CAB Districts with respect to the financing, construction, and operation of public improvements within their combined service area. It is anticipated that one or more of the CAB Districts may enter into additional intergovernmental agreements concerning the financing, construction, and operation of public improvements benefiting the CAB Districts and their residents and owners.

Revenues

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 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 ARI

ARTA imposes a mill levy of 5.000 mills for payment of the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements as contemplated by ARTA (see “Services Provided” above). The District has agreed to levy an additional 0.556 mills due to a change in calculating the residential assessed valuation.

The calculation of the taxes levied is displayed on the Property Tax Summary Page of the budget using the adopted mill levy imposed by the District.

THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

Administrative Expenditures

The District is a member of the CAB. The CAB will provide all the administrative and operating expenditures, which include the services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, and meeting expenses.

Intergovernmental Transfer CAB

On June 30, 2020, the CAB and the CAB Districts entered into the Mill Levy Policy Agreement that was amended on October 28, 2021. Pursuant to the Mill Levy Policy Agreement, the District agrees to ensure that the mill levies determined by the CAB each year are imposed and transferred to the CAB in accordance with the Revenue Pledged Agreement (described below).

On June 30, 2020, the District entered into the Residential Capital Pledge Agreements (the RCPA) with the CAB and Zions Bancorporation, National Association, in its capacity as trustee under the 2020A and 2020B Bonds Indentures ("the Indentures"). On October 28, 2021, the RCPA was terminated as a part of the 2021 Series A and 2021 Series B Bond issuances, and the Revenue Pledge Agreement was approved (the "RPA"). Per the RPA, the District agrees to pay such portion of their operations and financing costs as may be funded with the District's Pledged Revenue and Subordinate Pledged Revenue to the extent available to the Districts pursuant to the provisions of the RPA and the Amended Mill Levy Policy Agreement.

Intergovernmental Transfer ARTA

Per the Intergovernmental Agreement Regarding Imposition, Collection and Transfer of ARI Mill Levy, AACMD requires that the District transfer all revenues derived from ARI Mill Levy to ARTA within sixty (60) days of the District's receipt.

Debt and Leases

The District has no outstanding debt. Additionally, the District has no operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since the District has no TABOR eligible revenues, no Emergency Reserve has been provided.

This information is an integral part of the accompanying budget.

EXHIBIT C
Application for 2021 Audit Exemption

APPLICATION FOR EXEMPTION FROM AUDIT**SHORT FORM****NAME OF GOVERNMENT
ADDRESS****The Aurora Highlands Metropolitan District No. 3****8390 E Crescent Parkway****Suite 300****Greenwood Village, CO 80111****CONTACT PERSON****Jason Carroll****PHONE****303-779-5710****EMAIL****Jason.Carroll@claconnect.com****FAX****303-779-0348****For the Year Ended
12/31/21
or fiscal year ended:****PART 1 - CERTIFICATION OF PREPARER**

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:**Jason Carroll****TITLE****Accountant for the District****FIRM NAME (if applicable)****CliftonLarsonAllen LLP****ADDRESS****8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111****PHONE****303-779-5710****DATE PREPARED****February 23, 2022****PREPARER** (SIGNATURE REQUIRED)

See accompanying Accountant's Compilation Report.

**Please indicate whether the following financial information is recorded
using Governmental or Proprietary fund types****GOVERNMENTAL**
(MODIFIED ACCRUAL BASIS)**PROPRIETARY**
(CASH OR BUDGETARY BASIS)

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 3	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 3	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):		
3-24	Transfer to The Aurora Highlands Community Authority Board	\$ 3	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 3	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	☐	☒
4-2 Is the debt repayment schedule attached? If no, MUST explain: N/A	☐	☐
4-3 Is the entity current in its debt service payments? If no, MUST explain: N/A	☐	☐
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		
	Outstanding at end of prior year*	Issued during year
General obligation bonds	\$ -	\$ -
Revenue bonds	\$ -	\$ -
Notes/Loans	\$ -	\$ -
Leases	\$ -	\$ -
Developer Advances	\$ -	\$ -
Other (specify):	\$ -	\$ -
TOTAL	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt?	☒	☐
If yes: How much?	\$ 54,405,000,000	
Date the debt was authorized:	11/2/04 and 11/08/16	
4-6 Does the entity intend to issue debt within the next calendar year?	☐	☒
If yes: How much?	\$ -	
4-7 Does the entity have debt that has been refinanced that it is still responsible for?	☐	☒
If yes: What is the amount outstanding?	\$ -	
4-8 Does the entity have any lease agreements?	☐	☒
If yes: What is being leased?		
What is the original date of the lease?		
Number of years of lease?		
Is the lease subject to annual appropriation?	☐	☐
What are the annual lease payments?	\$ -	

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	☐	☐	☒
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	☐	☐	☒

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes

No

6-1 Does the entity have capital assets?

☐☒

6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:

☐☐

N/A

6-3 Complete the following capital assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

7-1 Does the entity have an "old hire" firefighters' pension plan?

☐☒

7-2 Does the entity have a volunteer firefighters' pension plan?

☐☒

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):

\$ -

State contribution amount:

\$ -

Other (gifts, donations, etc.):

\$ -

TOTAL

\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

\$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

N/A

8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?

☒☐☐

8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:

☒☐☐

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 103

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box		Yes	No
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.	☒	☐

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.		Yes	No
10-1	Is this application for a newly formed governmental entity?	☐	☒
If yes:	Date of formation:		
10-2	Has the entity changed its name in the past or current year?	☐	☒
If yes:	Please list the NEW name & PRIOR name: 		
10-3	Is the entity a metropolitan district? Please indicate what services the entity provides: 	☒	☐
10-4	Does the entity have an agreement with another government to provide services? If yes: List the name of the other governmental entity and the services provided: 	☒	☐
10-5	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during If yes: Date Filed:	☐	☒
10-6	Does the entity have a certified Mill Levy?	☒	☐
If yes:	Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):		
	Bond Redemption mills		-
	General/Other mills		77.930
	Total mills		77.930

Please use this space to provide any explanations or comments:

10-3: Street improvements, water, sanitary and storm sewer, park and recreation, mosquito control, public transportation, and traffic and safety control.

10-4: The District was formed in conjunction with The Aurora Highlands Metropolitan District Nos. 1 and 2 (TAH Districts). TAH Districts, together with the Aerotropolis Area Coordinating Metropolitan District and the ATEC Metropolitan District Nos. 1-2 formed The Aurora Highlands Community Authority Board (CAB) pursuant to an intergovernmental agreement to govern the relationships between and among the CAB Districts with respect to the financing, construction, and operation of public improvements within their combined service areas.

PART 11 - GOVERNING BODY APPROVAL			
Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	☒	☐

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A <u>MAJORITY</u> of the members of the governing body must complete and sign in the column below.
Board Member 1	Matthew Hopper	I Matthew Hopper, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/1/2022</u> My term Expires: May 2022
Board Member 2	Carla Ferreira	I Carla Ferreira, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/1/2022</u> My term Expires: May 2022
Board Member 3	Michael Sheldon	I Michael Sheldon, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2023
Board Member 4	Cindy Shearon	I Cindy Shearon, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/1/2022</u> My term Expires: May 2023
Board Member 5		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
The Aurora Highlands Metropolitan District No. 3
Adams County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of The Aurora Highlands Metropolitan District No. 3 as of and for the year ended December 31, 2021, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to The Aurora Highlands Metropolitan District No. 3.

Greenwood Village, Colorado
February 23, 2022

Certificate Of Completion

Envelope Id: 16B9A5477DE64AE8A9BFF0C5D18A76AC

Status: Completed

Subject: Please DocuSign: TAHMD No. 3 - 2021 Audit Exemption.pdf

Client Name: The Aurora Highlands Metropolitan District No. 3

Client Number: 011-043605-00

Source Envelope:

Document Pages: 8

Signatures: 3

Envelope Originator:

Certificate Pages: 5

Initials: 0

Lauryn Rodvold

AutoNav: Enabled

220 South 6th Street

Enveloped Stamping: Enabled

Suite 300

Time Zone: (UTC-06:00) Central Time (US & Canada)

Minneapolis, MN 55402

Lauryn.Rodvold@claconnect.com

IP Address: 165.225.10.178

Record Tracking

Status: Original

Holder: Lauryn Rodvold

Location: DocuSign

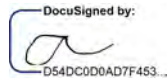
3/1/2022 2:13:41 PM

Lauryn.Rodvold@claconnect.com

Signer Events

Carla Ferreira

carla@theaurorahighlands.com

Security Level: Email, Account Authentication
(None)**Signature**DocuSigned by:

D54DC0D0AD7F453...**Timestamp**

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Viewed: 3/1/2022 2:18:14 PM

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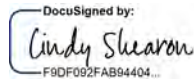
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Cindy Shearon

cindy@theaurorahighlands.com

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(None)DocuSigned by:

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Signature Adoption: Pre-selected Style

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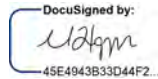
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Matthew Hopper

matt@summit-strategies.net

Security Level: Email, Account Authentication
(None)DocuSigned by:

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In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp**

Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/1/2022 2:17:31 PM
Certified Delivered	Security Checked	3/1/2022 3:15:42 PM
Signing Complete	Security Checked	3/1/2022 3:16:11 PM
Completed	Security Checked	3/3/2022 12:53:29 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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