LETTER OF BUDGET TRANSMITTAL

Date: January <u>31</u>, 2024

To: Division of Local Government 1313 Sherman Street, Room 521 Denver, Colorado 80203

Attached are the 2024 budget and budget message for THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD, Adams County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 16, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP Attn: Denise Denslow, District Manager 8390 E. Crescent Parkway, Suite 300 Greenwood Village, CO 80111 Telephone number: 303-779-5710 Denise.denslow@claconnect.com

I, Denise Denslow, District Manager of The Aurora Highlands Community Authority Board hereby certify that the attached is a true and correct copy of the 2024 budget.

By: Denise Denslow

Denise Denslow, District Manager

RESOLUTION NO. 2023-11-02

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY RESOLUTION OF THE BOARD OF DIRECTORS OF

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD, ADAMS COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2024

A. The Board of Directors of The Aurora Highlands Community Authority Board (the "**CAB**") has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body for its consideration on or before October 15, 2023.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 16, 2023, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("**TABOR**") and other laws or obligations which are applicable to or binding upon the CAB.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the CAB.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD, ADAMS COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the CAB for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the CAB to all appropriate agencies and is made a part of the public records of the CAB.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as $\underline{\text{Exhibit A}}$ and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY]

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 16, 2023.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD

By: DocuSigned by:

President

Attest:

DocuSigned by:

By: Denise Denslow

Secretary

EXHIBIT A

Budget

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD

ANNUAL BUDGET

FOR YEAR ENDING DECEMBER 31, 2024

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD SUMMARY 2024 BUDGET WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

1/30/24

	ACTUAL	ESTIMATED	BUDGET
	2022	2023	2024
BEGINNING FUND BALANCES	\$ 161,768,916	\$ 143,734,365	\$ 42,594,365
REVENUES			<u></u>
System Development Fees	252,011	180,000	350,000
Design Review Fee	354,455	102,000	22,500
Operations Funding	-	4,750	5,000
Interest income	1,846	-	-
Design Review Fee	408,332	3,000,500	1,500,500
Developer advance	25,530,326	63,000	150,000
Developer Reimbursements	2,867,761	10,000,000	30,000,000
Other revenue	5,010	200	5,000
Intergovernmental revenues	-	1,148,962	2,057,306
Intergovernmental Revenue - AACMD	20,461	-	-
Intergovernmental Transfers	489,351	-	-
Repaymet from ARTA	-	-	20,000,000
Bond issuance proceeds	63,000,000	25,740,291	100,000,000
Homeowner fees	160,811	345,000	360,000
PILOT revenue	4,000,000	-	-
Total revenues	97,090,364	40,584,703	154,450,306
TRANSFERS IN	755	-	-
Total funds available	258,860,035	184,319,068	197,044,671
EXPENDITURES	F 070 000	0.044.000	0 574 000
General Fund	5,870,863	2,041,829	2,571,000
Debt Service Fund	290,698	188,659	350,500
Capital Projects Fund	108,963,354	139,494,215	158,114,000
Total expenditures	115,124,915	141,724,703	161,035,500
TRANSFERS OUT	755	_	
Total expenditures and transfers out			
requiring appropriation	115,125,670	141,724,703	161,035,500
		,,. 00	
ENDING FUND BALANCES	\$ 143,734,365	\$ 42,594,365	\$ 36,009,171
EMERGENCY RESERVE	\$ 151,000	\$ 47,200	\$ 73,500
AVAILABLE FOR OPERATIONS	321,298	17,181	19,687
TOTAL RESERVE	\$ 472,298	\$ 64,381	\$ 93,187
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THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD GENERAL FUND 2024 BUDGET WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

1/30/24

	ACTUAL	ESTIMATED	BUDGET
	2022	2023	2024
BEGINNING FUND BALANCES	\$ (32,592)	\$ 472,298	\$ 64,381
REVENUES			
PILOT revenue	4,000,000	-	-
Developer advance	1,345,665	63,000	150,000
Plan and Design Review Fees	354,455	102,000	22,500
Operations Funding	-	4,750	5,000
Other revenue	5,010	200	5,000
Intergovernmental revenues	-	1,118,962	2,057,306
Intergovernmental Revenue - AACMD	20,461	-	-
Intergovernmental Transfers	489,351	-	-
Homeowner fees	160,811	345,000	360,000
Total revenues	6,375,753	1,633,912	2,599,806
Total funds available	6,343,161	2,106,210	2,664,187
EXPENDITURES			
General and administrative	045 040	050.000	000 000
Accounting	245,042	250,000	280,000
Auditing	19,500	20,000	20,000
Dues and membership	2,928	4,829	6,000
Insurance	54,918	72,000	75,000
District management	176,417	180,000	210,000
Billing	33,289	80,000	80,000
Covenant Enforcement	13,404	18,000	40,000
Legal	339,477	230,000	370,000
Miscellaneous	2,246	22,000	3,000
Election	4,257	18,000	-
Pemit and Fees	1,390	-	-
Design Review Fee	215,461	-	-
Contingency			33,000
Community Relations	12,184	10,000	50,000
Community Management	233,622	305,000	315,000
Media Relations			315,000
	43,035	30,000	-
Website	1,825	2,000	21,000
Reimbursement to Homebuilder	16,800	-	-
Repay Developer Advance Principal	2,709,335	-	-
Repay Developer Advance Interest	259,954	-	-
Operations and maintenance			
Landscape Maintenance	1,255,687	300,000	430,000
Detention Pond Maintenance	-	-	10,000
Intergovernmental Expense - AACMD Construction	14,130	-	-
Snow removal	-	100,000	120,000
Trash Collection	25,731	-	-
Trash and Recycling	-	50,000	70,000
Water	162,094	300,000	320,000
Winter Watering		-	20,000
Electricity	28,137	50,000	95,000
Mailbox Maintenance	20,107	-	3,000
		-	
Total expenditures	5,870,863	2,041,829	2,571,000
Total expenditures and transfers out			
requiring appropriation	5 870 962	2 0/1 020	2 571 000
	5,870,863	2,041,829	2,571,000
ENDING FUND BALANCES	\$ 472,298	\$ 64,381	\$ 93,187
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EMERGENCY RESERVE	\$ 151,000	\$ 47,200	\$ 73,500
AVAILABLE FOR OPERATIONS	321,298	17,181	φ 70,000 19,687
TOTAL RESERVE	\$ 472,298	\$ 64,381	\$ 93,187
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No assurance provided. See summary of significant assumptions.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD DEBT SERVICE FUND 2024 BUDGET WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

1/30/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 45,755	\$ 8,159	\$-
REVENUES			
Interest income	1,846	-	-
Net Investment Income	-	500	500
System Development Fees	252,011	180,000	350,000
Total revenues	253,857	180,500	350,500
Total funds available	299,612	188,659	350,500
EXPENDITURES			
General and administrative			
Paying agent fees	10,500	10,000	10,000
Contingency	-	10,000	10,000
Debt Service			
2021A Bonds Interest	277,573	168,659	330,500
Bond issue costs	2,625	-	-
Total expenditures	290,698	188,659	350,500
TRANSFERS OUT			
Transfers to other fund	755	-	-
Total expenditures and transfers out			
requiring appropriation	291,453	188,659	350,500
ENDING FUND BALANCES	\$ 8,159	\$-	\$-

No assurance provided. See summary of significant assumptions.

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD CAPITAL PROJECTS FUND 2024 BUDGET WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

	ACTUAL	ESTIMATED	ED BUDGET	
	2022	2023	2024	
BEGINNING FUND BALANCES	\$ 161,755,753	\$ 143,253,908	\$ 42,529,984	
REVENUES				
Net Investment Income	408,332	3,000,000	1,500,000	
Developer advance	24,184,661	-	-	
Developer Reimbursements	2,867,761	10,000,000	30,000,000	
Repaymet from ARTA	-	-	20,000,000	
Intergovernmental revenues	-	30,000	-	
Bond issuance proceeds	63,000,000	25,740,291	100,000,000	
Total revenues	90,460,754	38,770,291	151,500,000	
TRANSFERS IN				
Transfers from other funds	755	-	-	
Total funds available	252,217,262	182,024,199	194,029,984	
EXPENDITURES				
General and Administrative				
Accounting	14,907	9,000	10,000	
District management	-	3,000	4,000	
Legal	330,110	275,000	300,000	
Bond issue costs	1,424,545	611,590	2,500,000	
Contingency	-	50,000	-	
Capital Projects				
Capital outlay	24,184,661	20,000,000	25,000,000	
Intergovernmental Expense - AACMD Construction	55,305,364	100,000,000	80,000,000	
Intergovernmental Expense - AACMD ARTA	-	-	20,000,000	
Intergovernmental Expense - AACMD AF ATEC Spine	-	200,000	300,000	
Intergovernmental Expense - AACMD Dev. Reimbursement	2,867,761	10,000,000	30,000,000	
Repay Developer Advance Interest	651,345	82,826	-	
Repay Developer Advance Principal	24,184,661	8,262,799	-	
Total expenditures	108,963,354	139,494,215	158,114,000	
Total expenditures and transfers out				
requiring appropriation	108,963,354	139,494,215	158,114,000	
ENDING FUND BALANCES	\$ 143,253,908	\$ 42,529,984	\$ 35,915,984	

No assurance provided. See summary of significant assumptions.

Services Provided

The Aurora Highlands Community Authority Board (CAB), a political subdivision and public corporation of the State of Colorado, was established on November 21, 2019, to own, operate, and maintain certain public improvements within the boundaries of The Aurora Highlands Development (TAH) and Aurora Tech Center (ATEC) Development, which is located within the City of Aurora (City), in Adams County, Colorado, pursuant to The Aurora Highlands Community Authority Board Establishment Agreement as amended and restated (CABEA) among the Aerotropolis Area Coordinating Metropolitan District (AACMD), The Aurora Highlands Metropolitan District Nos. 1-6, and ATEC Metropolitan District Nos. 1-2 (collectively, the Districts).

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

The CAB prepares its budget on the modified accrual basis of accounting, in accordance with 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 CAB 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 budget is in accordance with the TABOR Amendment limitation. Emergency reserves required under TABOR have been provided.

Revenues

Homeowner Maintenance Fees

The CAB collects monthly fees in the amount of \$100 from homeowners within TAH to pay for the costs of trash removal, maintenance of parks and future recreation facilities, snow removal, utilities, and administrative costs, such as accounting, legal, insurance, and management.

Intergovernmental Transfers

Pursuant to certain agreements entered into between the CAB and the Districts, the Districts will impose an operations mill levy and debt service mill levy and will transfer tax revenues, net of collection fees, to the CAB to pay for the operations and maintenance costs and the repayment of 2021 Bonds of the CAB.

Capital Facility Fees

The CAB imposes capital facility fees on commercial property and residential lots within TAH upon the issuance of building permits at a rate of \$2,500 per single-family unit; \$1,500 per multi-family unit, and \$1 per square foot of commercial property. The Capital Facility Fees are pledged toward the payment of the CAB's 2021 Bonds.

Revenues

Developer Advance

Developer advances represent administrative costs and capital In-Tract builder costs funded by the Developer. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment.

Expenditures

General, Administrative, Operations, and Maintenance Expenses

The CAB's 2023 budget includes office costs, fees for outsourced services (legal, accounting, management, etc.), insurance, dues, and other administrative expenditures. The budget also includes operations and maintenance costs for parks, streets, snow removal, trash removal, utilities, and other related expenditures. The CAB will provide all the administrative services for the other districts that are CAB members.

Debt Service

The Series 2021 Bonds are paid based on available funds, as such a debt amortization schedule has not been included. It is anticipated that all system development fees collected in 2023 will be used to pay debt service on the CAB's 2021 Bonds.

Capital Outlay

The CAB has entered into that certain Project Management Intergovernmental Agreement with AACMD, dated April 10, 2020, pursuant to which AACMD will manage and construct the public infrastructure within TAH, and the CAB will transfer bond proceeds to AACMD for payment of the costs thereof.

Debt and Leases

The CAB issued the 2020 Bonds on June 30, 2020, with an estimated par amount of \$165,159,327 for the 2020A Bonds and \$32,338,830 for the 2020B Bonds. The 2020 Bonds were issued on a "draw-down" basis. All amounts drawn on the 2020 Bonds were refunded in the issuance of the 2021 Bonds.

On December 22, 2021, the CAB issued Special Tax Revenue Refunding and Improvement Bonds, Series 2021A in the aggregate amount of \$297,464,000 interest rate of 5.75% for the purposes of (i) refunding the Series 2020A and 2020B Bonds, (ii) paying or reimbursing project costs, (iii) and paying certain costs incurred in connection with the issuance of the Series 2021A Bonds.

Concurrently with the issuance of the 2021A Bonds, the CAB also issued its 2021B Bonds. The purposes of the 2021B Bonds are to (i) pay or reimburse Project Costs, (ii) pay Draw Fees, and (iii) pay Working Capital Costs (Bond Purposes).

Debt and Leases (Continued)

The 2021B Bonds constitute draw down obligations of the CAB, and the principal amount thereof at issuance was zero. Draws on the 2021B Bonds shall bear interest at a variable rate reset annually on each anniversary of the initial draw date. The interest rate is the Municipal Market Data (MMD) BBB, 30-year index on the Annual Interest Reset Date plus 5.0%, with a maximum interest rate of 9.0% per annum. The 2021B Bonds are payable to the extent of Subordinate Pledged Revenue available on December 15 of each year, commencing on December 15 of the first year in which no Series 2021A Senior Bond is outstanding, and mature on December 15, 2061.

In December of 2022, the CAB issued Subordinate Special Tax Revenue Bonds, Series 2022B in the amount of 63,000,000 (2022B Bonds). The 2022B Bonds are structured as cash flow bonds that pay each year on December 15. The interest rate is to be determined. Any 2022A Bonds Pledged Revenue available to the 2022B Bonds are to be used to pay current interest, accrued interest, and then principal.

In August of 2023, the CAB issued Special Tax Revenue Convertible Capital Appreciation Bonds, Series 2023A in the amount of \$25,740,291.25 (original principal amounts) \$35,575,000 (accreted value at current interest conversion date) (2023A Bonds) and interest rate of 7.75%. The 2023A Bonds are structured as capital appreciation bonds, with Pledged Revenues collected prior to the maturity date to be applied to principal annually on December 1 and at no penalty. The 2023A Bonds are to accrete on June 1 and December 1 through maturity. No scheduled principal and interest payments are required until December 1, 2028.

The 2022 estimates and 2023 projections for the long-term debt service activities are summarized in the tables below.

Debt and Leases (Continued)

	Balance - December 31,			Balance - December 31,
	2022	Additions*	Retirements*	2023*
Governmental Activities				
Bonds from Direct Borrowings				
Special Tax Revenue				
Refunding Bonds				
Series 2021A	297,464,000	-	-	297,464,000
Special Tax Capital				
Appreciation Bonds				
Series 2022B	63,000,000	-	-	63,000,000
Series 2023A	<u> </u>	35,575,000	-	35,575,000
Subtotal of Bonds from Direct	360,464,000	35,575,000	-	396,039,000
Borrowings				
Other Debts				
Developer Advances:				
Operations	-	63,000	-	63,000
Capital	-	-	-	
Accrued Interest on:				
Developer Advances - Operations	-	-	-	-
Developer Advances - Capital		-	-	
Subtotal - Other Debts	-	63,000	-	63,000
Total Long-Term Obligations	\$ 360,464,000	\$ 35,638,000	\$-	\$ 396,102,000
	Balance -			Balance -
	December 31,			December 31,
	2023*	Additions*	Retirements*	2024*
Governmental Activities				
Bonds from Direct Borrowings				
Special Tax Revenue				
Refunding Bonds				
Series 2021A	\$ 297,464,000	\$-	\$-	\$ 297,464,000
Special Tax Capital				
Appreciation Bonds				
Series 2022B	63,000,000	-	-	63,000,000
Series 2023A	35,575,000	-	-	35,575,000
Subtotal of Bonds from Direct	396,039,000	-	-	396,039,000
Borrowings				
Other Debts				
Developer Advances:				
Operations	63,000	150,000	-	213,000
Capital	-	-	-	-
Accrued Interest on:				
Developer Advances - Operations	-	11,103	-	11,103
Developer Advances - Capital	-	-	-	
Subtotal - Other Debts	63,000	161,103	-	224,103
Total Long-Term Obligations	\$ 396,102,000	\$ 161,103	\$ -	\$ 396,263,103
. stat Long . still Obligations	↓ 0000,102,000	- 101,100	¥	

*Estimated amounts

The CAB has no operating or capital leases.

Reserves

Emergency Reserve

The CAB has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2024, as defined under TABOR.

This information is an integral part of the accompanying budget.

I, Denise Denslow, hereby certify that I am the duly appointed Secretary of The Aurora Highlands Community Authority Board, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of The Aurora Highlands Community Authority Board held on November 16, 2023.

DocuSigned by: Denise Denslow

Secretary

SENTINEL PROOF OF PUBLICATION

STATE OF COLORADO COUNTY OF ARAPAHOE }ss.

6.1

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver; State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said Counties of Arapahoe, Adams and Denver for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements,' or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period 1 of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated October 12 A.D. 2023 and that the last publication of said notice was in the issue of said newspaper dated October 12 A.D. 2023.

I witness whereof I have hereunto set my hand this 12th day of October A.D. 2023.

K Sanny

Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 12th day of October A.D. 2023.

ilsalella Perry

Notary Public



NOTICE AS TO PROPOSED 2024 BUDGET AND AMENDMENT OF 2023 BUDGET

AND AMENDMENT OF 2023 BUDGET THE AURORA HIGHLANDS COMMU-NITY AUTHORITY BOARD ADAMS COUNTY, COLORADO

ADAMS COUNTY, COLORADO NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-108 and 109, C.R.S., that a proposed budget has been submitted to the Board of Directors of The Aurora Highlands Community Authority Board (the "CAB") for the ensuing year of 2024. The necessity may also arise for the ampondment of the 2023 budget (if appropriate) of the CAB. Copies of the proposed 2024 budget and 2023 amended budget (if appropriate) are on file in the office of the CAB's Accountant, CliffonLarsonAlien LLP, 8390 E. Crescent Pkwy, Suite 300, Greenwood Village, CO 8011. where the same are available for public inspection. Any interested elector within the CAB may, at any time prior to the final adoption of the 2024 budget on the 2023 amended budget, inspect the 2024 budget and the 2023 amended budget and file or register any objections threato. The address of the office of the CAB where the list of CAB Board Members, its officers and contact information may be obtained is: c/o CliftonLarson-Allen LLP, 8390 E. Crescent Pkwy, Suite 300, Greenwood Village, Colorado 80111 or on the CAB's website at: https://theauro-Allen LLP, 8390 E. Crescent Pkwy, Suite 300, Greenwood Village, Colorado 80111 or on the CAB's website at: https://theauroanighlands.specialdistrict.net/.

The proposed 2024 budget and 2023 amended budget will be considered at a special meeting of the CAB to be held on a First Reading at 1:00 p.m. on October 19, 2023 via video / telephonic means (Zoom), and for a Second and Final Reading and public hearing to be held at a special meeting at 1:00 p.m. on November 16, 2023 via video / telephonic means (Zoom).

1. To attend either meeting via Videoconference, e-mail jpino@specialdistrictlaw. com to obtain a link to the videoconference, or use the following: https://us02web.zoom.us//871555298667 pwd=CDF2N3pPTngzQmV0MmZoYjJQR Hpodz09

2. To attend either meeting via telephone, dial 1-719-359-4580 and enter the following additional information: a. Meeting ID: 871 5552 9666 b. Passcode: 438756

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD /s/ Denise Denslow CAB Manager

Publication: October 12, 2023 Sentinel