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Accountant's Compilation Report

Board of Directors
Haskins Station Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Haskins Station Metropolitan District for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. We did not audit or review the budget 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 accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Haskins Station Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 27, 2020



An independent member of Nexia International

**HASKINS STATION METROPOLITAN DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

| | ACTUAL 2018 | ESTIMATED 2019 | BUDGET 2020 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ 12,127,163 |
| REVENUE | | | |
| Bonds Premium | - | 234,938 | - |
| Developer Advance | - | 437,732 | 7,627,244 |
| Operations Fees | - | - | 5,400 |
| Property Taxes | - | - | 100 |
| Senior Bonds | - | 10,280,000 | - |
| Specific Ownership Taxes | - | - | 8 |
| Interest Income | - | 20,550 | 74,500 |
| Subordinate Bonds | - | 2,655,000 | - |
| Transfer Fees | - | - | 36,000 |
| Total revenue | - | 13,628,220 | 7,743,252 |
| TRANSFERS IN | - | 2,348,500 | - |
| Total funds available | - | 15,976,720 | 19,870,415 |
| EXPENDITURES | | | |
| General Fund | - | 32,500 | 75,000 |
| Operations Fee Fund | - | - | 20,000 |
| Debt Service Fund | - | 34,267 | 514,201 |
| Capital Projects Fund | - | 1,434,290 | 17,404,547 |
| Total expenditures | - | 1,501,057 | 18,013,748 |
| TRANSFERS OUT | - | 2,348,500 | - |
| Total expenditures and transfers out requiring appropriation | - | 3,849,557 | 18,013,748 |
| ENDING FUND BALANCES | \$ - | \$ 12,127,163 | \$ 1,856,667 |

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**HASKINS STATION METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

| | ACTUAL 2018 | ESTIMATED 2019 | BUDGET 2020 |
|--------------------------------|----------------|-------------------|----------------|
| ASSESSED VALUATION | | | |
| Agricultural | - | - | 1,212 |
| Vacant land | - | - | 203 |
| | - | - | 1,415 |
| Certified Assessed Value | \$ - | \$ - | \$ 1,415 |
| MILL LEVY | | | |
| General | 0.000 | 0.000 | 15.000 |
| Debt Service | 0.000 | 0.000 | 55.664 |
| Total mill levy | 0.000 | 0.000 | 70.664 |
| PROPERTY TAXES | | | |
| General | \$ - | \$ - | \$ 21 |
| Debt Service | - | - | 79 |
| Budgeted property taxes | \$ - | \$ - | \$ 100 |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ - | \$ - | \$ 21 |
| Debt Service | - | - | 79 |
| | \$ - | \$ - | \$ 100 |

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**HASKINS STATION METROPOLITAN DISTRICT
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

| | ACTUAL 2018 | ESTIMATED 2019 | BUDGET 2020 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| REVENUE | | | |
| Developer Advance | - | 32,500 | 75,077 |
| Property Taxes | - | - | 21 |
| Specific Ownership Taxes | - | - | 2 |
| Total revenue | <u>-</u> | <u>32,500</u> | <u>75,100</u> |
| Total funds available | <u>-</u> | <u>32,500</u> | <u>75,100</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | - | 10,000 | 25,000 |
| Audit | - | - | 5,000 |
| Dues | - | - | 500 |
| Insurance | - | 2,500 | 2,500 |
| Legal | - | 20,000 | 35,000 |
| Contingency | - | - | 7,000 |
| Total expenditures | <u>-</u> | <u>32,500</u> | <u>75,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>32,500</u> | <u>75,000</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 100</u> |
| EMERGENCY RESERVE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 100</u> |
| TOTAL RESERVE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 100</u> |

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**HASKINS STATION METROPOLITAN DISTRICT
OPERATIONS FEE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

| | ACTUAL 2018 | ESTIMATED 2019 | BUDGET 2020 |
|---|----------------|-------------------|------------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| REVENUE | | | |
| Operations Fees | - | - | 5,400 |
| Transfer Fees | - | - | 36,000 |
| Total revenue | <u>-</u> | <u>-</u> | <u>41,400</u> |
| Total funds available | <u>-</u> | <u>-</u> | <u>41,400</u> |
| EXPENDITURES | | | |
| Contingency | - | - | 20,000 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>20,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>-</u> | <u>20,000</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,400</u> |

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**HASKINS STATION METROPOLITAN DISTRICT
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

| | ACTUAL 2018 | ESTIMATED 2019 | BUDGET 2020 |
|---|----------------|---------------------|---------------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ 2,319,783 |
| REVENUE | | | |
| Property Taxes | - | - | 79 |
| Specific Ownership Taxes | - | - | 6 |
| Interest Income | - | 5,550 | 29,500 |
| Total revenue | <u>-</u> | <u>5,550</u> | <u>29,585</u> |
| TRANSFERS IN | | | |
| Transfer from Capital Project Fund | <u>-</u> | <u>2,348,500</u> | <u>-</u> |
| Total funds available | <u>-</u> | <u>2,354,050</u> | <u>2,349,368</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | - | - | 1 |
| Contingency | - | - | 200 |
| Debt Service | | | |
| Bond Interest | - | 34,267 | 514,000 |
| Total expenditures | <u>-</u> | <u>34,267</u> | <u>514,201</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>34,267</u> | <u>514,201</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ 2,319,783</u> | <u>\$ 1,835,167</u> |
| DEBT SERVICE RESERVE FUND | \$ - | \$ 806,500 | \$ 806,500 |
| CAP I/BOND FUND | - | 1,513,283 | 1,028,667 |
| TOTAL RESERVE | <u>\$ -</u> | <u>\$ 2,319,783</u> | <u>\$ 1,835,167</u> |

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**HASKINS STATION METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

| | ACTUAL 2018 | ESTIMATED 2019 | BUDGET 2020 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ 9,807,380 |
| REVENUE | | | |
| Bonds Premium | - | 234,938 | - |
| Developer Advance | - | 405,232 | 7,552,167 |
| Interest Income | - | 15,000 | 45,000 |
| Senior Bonds | - | 10,280,000 | - |
| Subordinate Bonds | - | 2,655,000 | - |
| Total revenue | - | 13,590,170 | 7,597,167 |
| Total funds available | - | 13,590,170 | 17,404,547 |
| EXPENDITURES | | | |
| General and Administrative | | | |
| Accounting | - | 10,000 | 15,000 |
| Engineering - Costs Verification | - | 10,000 | 15,000 |
| Legal | - | 10,000 | 15,000 |
| Capital Projects | | | |
| Public Improvements | - | 405,232 | 7,552,167 |
| Cost of Issuance | - | 591,250 | - |
| Payment to City - Regional Improvements | - | - | 2,255,213 |
| Repay Developer Advance | - | 407,808 | 7,552,167 |
| Total expenditures | - | 1,434,290 | 17,404,547 |
| TRANSFERS OUT | | | |
| Transfer to Debt Service Fund | - | 2,348,500 | - |
| Total expenditures and transfers out requiring appropriation | - | 3,782,790 | 17,404,547 |
| ENDING FUND BALANCE | \$ - | \$ 9,807,380 | \$ - |

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**HASKINS STATION METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Jefferson County on January 7, 2019, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Arvada, Jefferson County, Colorado.

The District was established to provide a part or all of the public improvements for the use and benefit of all anticipated constituents and taxpayers of the District. The primary purpose of the District is to finance the construction of public improvements, including water facilities, storm sewer and sanitation facilities, street and roadway improvements, traffic and safety control, parks and recreation, transportation, television relay and translator, and mosquito elimination and control. At an election held on November 6, 2018, voters authorized indebtedness to finance the costs of the public improvements, including debt refunding, funding intergovernmental agreements, and to fund the operations and maintenance of the public improvements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

Pursuant to its Service Plan, the District is permitted to issue bond indebtedness of up to \$36,000,000. In the future, the District may issue a portion or all of the authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this budget, the amount and timing of any debt issuance is not determinable. The District's maximum debt mill levy is 50.000 mills as may be adjusted pursuant to the provisions of the Service Plan.

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 Colorado Revised Statutes C.R.S. 29-1-105 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.

Revenues

Developer Advances

The District is in the development stage. As such, the District's general and administrative expenditures will be mainly funded by the Developer. Capital expenditures (for public improvements) will also be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**HASKINS STATION METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied for collection in 2020 is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8% of the property taxes collected by both the General Fund and the Debt Service Fund.

Operations Fee

The District imposes a recurring Operations Fee that is comprised of a recurring payment and a transfer payment. Each residential unit is charged a recurring payment fee of \$360 annually. A transfer payment fee of \$600 is imposed on transfers of a vacant lot or residential unit by an end user, with certain exceptions, and is collected at the time of transfer.

Operations Fees are not pledged to the repayment of the Bonds. Operations Fees are to be applied solely to operations and maintenance costs, and may not be used by the District to pay for General and Administrative Costs.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

Expenditures

General and Administrative

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance and meeting expense.

Maintenance Expenditures

Anticipated expenditures for maintenance are reflected in the Operations Fees Fund.

**HASKINS STATION METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District issued the Senior Bonds and the Subordinate Bonds on November 7, 2019, in the respective amounts of \$10,280,000 and \$2,655,000.

The proceeds of the 2019A Senior Bonds were used to: (i) finance public improvements related to the Development; (ii) make a payment to the City to fund certain regional improvements in accordance with an intergovernmental agreement between the City and the District, (iii) fund capitalized interest on the 2019A Senior Bonds; (iv) fund the Senior Reserve Fund; and (v) pay the costs of issuance of the 2019A Senior Bonds and certain costs of issuance of the 2019B(3) Subordinate Bonds. Proceeds of the 2019B(3) Subordinate Bonds will be used to: (i) finance additional public improvements related to the Development; and (ii) pay certain other costs of issuance of the 2019B(3) Subordinate Bonds.

The Senior Bonds bear interest at an average rate of 5% and are payable semi-annually on June 1 and December 1, beginning on December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The Senior Bonds mature on December 1, 2049. To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Senior Bond. To the extent interest on any Senior Bond is not paid when due, such interest shall compound on each interest payment date at the rate then borne by the Senior Bonds. The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Senior Bonds.

The Subordinate Bonds were issued at the rate of 8.75% per annum and are payable annually on December 15, beginning December 15, 2019 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Subordinate Bonds. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2059 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date.

The District has no outstanding operating or capital leases.

Reserves

Debt Service Reserve

The Debt Service Reserve in the amount of \$806,500 is required to be maintained on the Senior Bonds.

Emergency Reserve

The District has provided an Emergency Reserve fund (equal to at least 3% of fiscal year spending for 2020 as defined under TABOR).

This information is an integral part of the accompanying budget.

**HASKINS STATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
MANDATORY REDEMPTION SCHEDULE**

**\$10,280,000 General Obligation and Special Revenue Bonds
Series 2019A, Dated November 7, 2019
Principal Due December 1
Interest at 5.000%
Payable June 1 and December 1**

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------|----------------------|----------------------|----------------------|
| 2020 | \$ - | \$ 514,000 | \$ 514,000 |
| 2021 | - | 514,000 | 514,000 |
| 2022 | - | 514,000 | 514,000 |
| 2023 | 20,000 | 514,000 | 534,000 |
| 2024 | 120,000 | 513,000 | 633,000 |
| 2025 | 130,000 | 507,000 | 637,000 |
| 2026 | 145,000 | 500,500 | 645,500 |
| 2027 | 155,000 | 493,250 | 648,250 |
| 2028 | 175,000 | 485,500 | 660,500 |
| 2029 | 185,000 | 476,750 | 661,750 |
| 2030 | 205,000 | 467,500 | 672,500 |
| 2031 | 215,000 | 457,250 | 672,250 |
| 2032 | 240,000 | 446,500 | 686,500 |
| 2033 | 250,000 | 434,500 | 684,500 |
| 2034 | 280,000 | 422,000 | 702,000 |
| 2035 | 295,000 | 408,000 | 703,000 |
| 2036 | 320,000 | 393,250 | 713,250 |
| 2037 | 340,000 | 377,250 | 717,250 |
| 2038 | 370,000 | 360,250 | 730,250 |
| 2039 | 385,000 | 341,750 | 726,750 |
| 2040 | 420,000 | 322,500 | 742,500 |
| 2041 | 440,000 | 301,500 | 741,500 |
| 2042 | 480,000 | 279,500 | 759,500 |
| 2043 | 505,000 | 255,500 | 760,500 |
| 2044 | 545,000 | 230,250 | 775,250 |
| 2045 | 570,000 | 203,000 | 773,000 |
| 2046 | 615,000 | 174,500 | 789,500 |
| 2047 | 645,000 | 143,750 | 788,750 |
| 2048 | 695,000 | 111,500 | 806,500 |
| 2049 | 1,535,000 | 76,750 | 1,611,750 |
| Total | \$ 10,280,000 | \$ 11,239,000 | \$ 21,519,000 |

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.