

AIRWAYS BUSINESS CENTER METROPOLITAN DISTRICT
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Phone (303) 779-5710 Fax (303) 773-2050
www.airwaysbcmd.org

February 21, 2023

City of Aurora
City Manager's Office
Manager of the Office of Development Assistance
15151 East Alameda Parkway 5th Floor
Aurora, CO 80012
Via e-copy: citymanager@auroragov.org

Re: Airways Business Center Metropolitan District 2022 Annual Report

Dear Development Assistance Office:

Pursuant to the Airways Business Center Metropolitan District ("District") Service Plan ("Service Plan"), the District is required to submit to the City of Aurora an Annual Report for each year that the District is in existence. Following is the information for 2022 as required in Section VIII of the Service Plan and Section 32-1-207(3)(c)(II), C.R.S.:

1. Reporting of Significant Events.
 - (a) Boundary changes made or proposed: **None.**
 - (b) Intergovernmental Agreements with other governmental entities entered into or proposed: **None**, although the District continues to implement the Stormwater Management Facility Inspection & Maintenance Plan, entered into with the City of Aurora, July 2012.
 - (c) Changes or proposed changes in the District's policies: **None.**
 - (d) Changes or proposed changes in the District's operations: The District continues to provide operations and maintenance on behalf of the Airways Business Center Owners Association, Inc., under a 2010 agreement.
On February 24, 2021, the District received written consent from the Aurora Police Department for the District to furnish security services within the boundaries of the District pursuant to Section 32-1-1004(7), C.R.S. The District anticipates providing security services in the future, as permitted under Section 32-1-1004(7), C.R.S.
 - (e) Any material change in the financial status of the District, including revenue projections or operating costs: **None.**
 - (f) A summary of any litigation that involves the District: **None.**
 - (g) Proposed plans for the year immediately following the year summarized in the annual report: **None**
 - (h) Status of the District's Public Improvement Construction Schedule: **All improvements are complete.**
 - (i) A List of all facilities and improvements constructed by the District that have been dedicated to and accepted by Aurora:

District water, sewer and storm sewer improvements have been dedicated to the City of Aurora, with initial acceptance and Sign-Off Dates shown for the following:

Filing 1 Water, phase 2	W06-58	August 2006
Filing 2 Water	W07-95	December 2007

Final acceptance of the following improvements was made by the City of Aurora on the following dates:

Filing 1 Stormwater	SS03-30	March 2005
Filing 1 Sanitary Sewer	SA03-32	March 2005
Filing 1 Water	W03-93	February 2005

Street acceptance occurred at approximately the same time, dedication occurred by plat.

- (j) Summary of current assessed valuation of the District: \$19,316,390
2. Summary of Financial Information: **Please see the July 31, 2022 unaudited Financial Statements of the District (attached hereto), which are the most recent financial statements that have been accepted by the Airways Business Center Metropolitan District Board of Directors, and the 2023 Adopted Budget. The acreage of the District is 53.43 acres, more or less.**
 3. Rules and regulations contact information: **The Board has not adopted any rules or regulations.**
 4. 2022 Audit Exemption: **The 2022 Audit Exemption Application will be provided upon completion.**
 5. Uncured defaults existing for more than 90-days under any debt instrument: **None**
 6. Liability to pay obligations as they come due under any obligations continuing beyond a 90-day period: **None**

Please let me know if additional information is required.

Sincerely,

DocuSigned by:

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Stephanie Odewumi
Manager, Airways Business Center Metropolitan District
CliftonLarsonAllen LLP

e-copy: Board of Directors –
Airways Business Center Metropolitan District
Paula Williams

Enclosures

AIRWAYS BUSINESS CENTER METRO DISTRICT

FINANCIAL STATEMENTS

JULY 31, 2022

AIRWAYS BUSINESS CENTER METRO DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JULY 31, 2022

		General
ASSETS		
Cash - US Bank	\$	7,458
Cash - 1st Bank		10,005
Colotrust		708,543
Receivable from County Treasurer		3,295
TOTAL ASSETS	\$	729,301
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable	\$	6,058
Total Liabilities		6,058
FUND BALANCES		
Total Fund Balances		723,243
TOTAL LIABILITIES AND FUND BALANCES	\$	729,301

AIRWAYS BUSINESS CENTER METRO DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SEVEN MONTHS ENDED JULY 31, 2022

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 197,460	\$ 202,008	\$ 4,548
Specific ownership tax	13,822	7,929	(5,893)
Interest income	300	4,767	4,467
Other revenue	-	1	1
TOTAL REVENUES	<u>211,582</u>	<u>214,705</u>	<u>3,123</u>
EXPENDITURES			
Accounting	28,000	9,616	18,384
County Treasurer's fee	2,962	3,061	(99)
Directors' fees	1,500	100	1,400
Dues and licenses	750	427	323
Insurance and bonds	4,200	3,971	229
District management	27,000	9,450	17,550
Legal services	18,000	3,348	14,652
Miscellaneous	500	126	374
Payroll taxes	115	8	107
Election expense	1,750	1,853	(103)
Engineering	4,000	2,270	1,730
Landscape maintenance	54,000	13,232	40,768
Water - irrigation	12,000	2,139	9,861
Property management	7,200	4,800	2,400
Stormwater maintenance	15,000	-	15,000
Contingency	8,023	-	8,023
TOTAL EXPENDITURES	<u>185,000</u>	<u>54,401</u>	<u>130,599</u>
NET CHANGE IN FUND BALANCES	26,582	160,304	133,722
FUND BALANCES - BEGINNING	<u>552,763</u>	<u>562,939</u>	<u>10,176</u>
FUND BALANCES - ENDING	<u>\$ 579,345</u>	<u>\$ 723,243</u>	<u>\$ 143,898</u>

SUPPLEMENTARY INFORMATION

**AIRWAYS BUSINESS CENTER METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide construction, installation, financing and operation of public improvements, including street and safety improvements, water, sanitary sewer, storm drainage, park and recreation facilities, and mosquito control. The District's service area is located entirely within the City of Aurora, Adams County, Colorado.

The District was organized on November 12, 2003. The District's organizational election approved general obligation indebtedness of \$3,678,750 for street and safety improvements, \$925,000 for water supply system, \$2,590,000 for sanitary sewer system, \$50,000 for parks and recreation, \$7,243,750 for refinancing of District debt, and \$625,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$100,000 for general operations and maintenance. Additionally, the election allows the District to collect, spend, and retain revenues beyond limitations, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

On November 4, 2014, an election approved an annual increase in taxes of \$5,000,000 for District administration, operations, maintenance and capital expenses. Additionally, the election allows the District to collect, spend, and retain revenues beyond limitations, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

Emergency reserves, required under TABOR have been provided.

The District prepares its budget on the modified accrual basis of accounting in accordance with 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

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.

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.

**AIRWAYS BUSINESS CENTER METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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 7.00% of the property taxes collected by the General Fund.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

Expenditures

Administrative Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, landscaping and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

Debt and Leases

The District has no debt nor operating or capital leases.

Reserves

Emergency Reserve

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

AIRWAYS BUSINESS CENTER METROPOLITAN DISTRICT
Schedule of Cash Position
July 31, 2022
Updated as of October 4, 2022

	General Fund
<u>US Bank - Checking Account</u>	
Balance as of 07/31/22	\$ 7,458.30
Subsequent activities:	
08/12/22 - Bank fee	(8.00)
08/15/22 - Aurora Water	(1,693.42)
09/15/22 - Aurora Water	(4,276.09)
<i>Anticipated Transfer to 1st Bank</i>	<i>(1,480.79)</i>
<i>Anticipated Balance</i>	-
 <u>1st Bank - Checking Account</u>	
Balance as of 07/31/22	\$ 10,005.16
Subsequent activities:	
08/22/22 - Transfer from Savings	7,000.00
08/24/22 - Bill.com Payables	(4,780.18)
09/21/22 - Transfer from Savings	20,000.00
10/03/22 - Bill.com Payables	(17,109.04)
<i>Anticipated Transfer from US Bank</i>	<i>1,480.79</i>
<i>Anticipated Balance</i>	16,596.73
 <u>COLOTRUST - Investments</u>	
Balance as of 07/31/22	708,543.49
Subsequent activities:	
08/10/22 - July Property Tax	3,294.75
08/22/22 - Transfer to Checking	(7,000.00)
08/31/22 - Interest Income	1,354.63
09/09/22 - August Property Tax	1,132.29
09/21/22 - Transfer to Checking	(20,000.00)
09/30/22 - Interest Income	1,508.40
<i>Anticipated Balance</i>	688,833.56
<i>Total Anticipated Balances</i>	\$ 705,430.29

Yield information for 09/30/22:
COLOTRUST - 2.62%

AIRWAYS BUSINESS CENTER METROPOLITAN DISTRICT
Property Taxes Reconciliation
2022

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 0.72	\$ -	\$ 1,198.26	\$ -	\$ (0.01)	\$ 1,198.97	0.00%	0.00%	\$ 1,030.58	-0.08%	-0.08%
February	89,850.45	-	1,087.17	-	(1,347.76)	89,589.86	45.50%	45.50%	82,794.80	41.05%	40.97%
March	10,306.25	3,142.02	1,084.41	1,428.46	(223.15)	15,737.99	6.81%	52.31%	8,732.22	3.74%	44.72%
April	88,937.30	(423.60)	12.25	(80.49)	(1,327.70)	87,117.76	44.83%	97.14%	93,882.76	46.60%	91.31%
May	6,954.70	776.86	1,018.01	707.38	(126.76)	9,330.19	3.92%	101.06%	12,846.85	5.76%	97.08%
June	826.90	882.53	1,044.85	11.04	(23.06)	2,742.26	0.87%	101.92%	3,547.27	1.19%	98.26%
July	349.78	404.40	2,484.20	68.72	(12.35)	3,294.75	0.38%	102.30%	4,070.38	1.41%	99.68%
August	-	-	-	-	-	-	0.00%	102.30%	1,534.49	0.00%	99.68%
September	-	-	-	-	-	-	0.00%	102.30%	1,678.35	0.00%	99.68%
October	-	-	-	-	-	-	0.00%	102.30%	1,375.67	0.00%	99.68%
November	-	-	-	-	-	-	0.00%	102.30%	1,410.92	0.00%	99.68%
December	-	-	-	-	-	-	0.00%	102.30%	1,257.26	0.00%	99.68%
\$	197,226.10	\$ 4,782.21	\$ 7,929.15	\$ 2,135.11	\$ (3,060.79)	\$ 209,011.78	102.30%	102.30%	\$ 214,161.55	99.68%	99.68%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied	Assessed Valuation	Mill Levy
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Property Tax

General Fund	197,460	100.00%	\$ 202,008.31	102.30%	10.000
	197,460	100.00%	\$ 202,008.31	102.30%	\$ 19,746,000 10.000

Specific Ownership Tax

General Fund	13,822	100.00%	\$ 7,929.15	57.37%
	13,822	100.00%	\$ 7,929.15	57.37%

Treasurer's Fees

General Fund	2,962	100.00%	\$ 3,060.79	103.34%
	2,962	100.00%	\$ 3,060.79	103.34%

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

AIRWAYS BUSINESS CENTER METROPOLITAN DISTRICT

Annual Budget

For the Year Ending December 31, 2023

**AIRWAYS BUSINESS CENTER METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 481,348	\$ 562,939	\$ 652,334
REVENUES			
Property taxes	200,329	199,129	193,164
Specific ownership tax	16,834	14,565	16,521
Interest income	263	8,000	5,000
Other revenue	-	1	-
Total revenues	217,426	221,695	214,685
Total funds available	698,774	784,634	867,019
EXPENDITURES			
General and administrative			
Accounting	17,101	17,000	23,000
Audit	4,500	-	-
County Treasurer's fee	3,005	3,064	2,897
Directors' fees	-	500	1,500
Dues and licenses	569	427	600
Insurance and bonds	3,899	3,971	4,500
District management	21,611	17,500	18,000
Legal services	9,166	7,000	10,000
Miscellaneous	307	250	500
Payroll taxes	-	38	115
Election expense	-	2,000	2,000
Contingency	-	-	8,688
Operations and maintenance			
Engineering	1,829	4,000	5,000
Landscape maintenance	46,067	40,000	54,000
Water - irrigation	18,481	18,750	12,000
Property management	6,600	7,800	7,200
Stormwater maintenance	2,700	10,000	15,000
Total expenditures	135,835	132,300	165,000
Total expenditures and transfers out requiring appropriation	135,835	132,300	165,000
ENDING FUND BALANCE	\$ 562,939	\$ 652,334	\$ 702,019
EMERGENCY RESERVE	\$ 6,600	\$ 6,700	\$ 6,500
TOTAL RESERVE	\$ 6,600	\$ 6,700	\$ 6,500

No assurance provided. See summary of significant assumptions.

**AIRWAYS BUSINESS CENTER METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Commercial	\$ 8,092,530	\$ 17,948,790	\$ 17,948,790
Industrial	6,743,600	-	-
State assessed	50	80	280
Vacant land	30	30	30
Personal property	1,912,180	1,797,100	1,367,290
Certified Assessed Value	\$ 16,748,390	\$ 19,746,000	\$ 19,316,390
 MILL LEVY			
General	12.000	10.000	10.000
Total mill levy	12.000	10.000	10.000
 PROPERTY TAXES			
General	\$ 200,981	\$ 197,460	\$ 193,164
Levied property taxes	200,981	197,460	193,164
Adjustments to actual/rounding	(499)	-	-
Refunds and abatements	(153)	1,669	-
Budgeted property taxes	\$ 200,329	\$ 199,129	\$ 193,164
 BUDGETED PROPERTY TAXES			
General	\$ 200,329	\$ 199,129	\$ 193,164
	\$ 200,329	\$ 199,129	\$ 193,164

**AIRWAYS BUSINESS CENTER METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide construction, installation, financing and operation of public improvements, including street and safety improvements, water, sanitary sewer, storm drainage, park and recreation facilities, and mosquito control. The District's service area is located entirely within the City of Aurora, Adams County, Colorado.

The District was organized on November 12, 2003. The District's organizational election approved general obligation indebtedness of \$3,678,750 for street and safety improvements, \$925,000 for water supply system, \$2,590,000 for sanitary sewer system, \$50,000 for parks and recreation, \$7,243,750 for refinancing of District debt, and \$625,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$100,000 for general operations and maintenance. Additionally, the election allows the District to collect, spend, and retain revenues beyond limitations, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

On November 4, 2014, an election approved an annual increase in taxes of \$5,000,000 for District administration, operations, maintenance and capital expenses. Additionally, the election allows the District to collect, spend, and retain revenues beyond limitations, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

Emergency reserves, required under TABOR have been provided.

The District prepares its budget on the modified accrual basis of accounting in accordance with 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

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.

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**AIRWAYS BUSINESS CENTER METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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 7.00% of the property taxes collected by the General Fund.

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Administrative Expenditures

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County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

Debt and Leases

The District has no debt nor operating or capital leases.

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.