

MillerLaw_{pllc}

1555 California Street No. 505
Denver CO 80202
303.285.5320

September 1, 2022

Denver County Clerk & Recorder
201 W. Colfax, Dept. 101
Denver, CO 80202

Division of Local Government
Department of Local Affairs
1313 Sherman Street, Room 521
Denver, CO 80203

Office of the State Auditor
Local Government Audit Division
1525 Sherman Street, 7th Floor
Denver, CO 80203

Managers of Revenue & Public Works
City and County of Denver
201 West Colfax Avenue, Dept. 509
Denver, CO 80202

City Council
Denver City Council
1437 Bannock St., Rm. 451
Denver, CO 80202

RE: 2021 Annual Reports

To Whom It May Concern:

Enclosed for your records is the annual report for 2021 for the below captioned district.
Please contact me with any questions or concerns. Thank you.

Mile High Business Center Metropolitan District

MILLER LAW PLLC

Sonja Steele

Sonja Steele
Paralegal

Enclosures

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
COUNTY OF DENVER, STATE OF COLORADO**

ANNUAL REPORT FOR FISCAL YEAR 2021

Pursuant to the Service Plan for the Mile High Business Center Metropolitan District (the “District”), the District is required to provide an annual report to the City and County of Denver with regard to the following matters:

- a. Annual District budget to both the Manager of Revenue, and Manager of Public Works;
- b. Annual construction schedules and work and capital improvement programs for one (1) year and six (6) years to the Manager of Public Works;
- c. Annual audited financial statements of the District including percent of budget for operation and maintenance, to the Manager of Revenue;
- d. Total Debt authorized and total debt issued and future debt issuances to the Manager of Revenue;
- e. Rules and regulations of the District regarding bidding, conflict of interest, contacting, and other governance matters to the Manager of Public Works;
- f. Current intergovernmental agreements, if amended, to both the Manager of Revenue and Manager of Public Works;
- g. All current contracts for services or construction to the Manager of Public Works;
- h. Current documentation of credit enhancements to the Manager of Revenue;
- i. Official statements of current outstanding bonded indebtedness, if not already received by the City, to the Manager or Revenue;
- j. Current approved Service Plan, if amended, to both the Manager of Revenue and Manager of Public Works;
- k. District office contact information to both the Manager of Revenue and Manager of Public Works;
- l. Any change in proposed development assumptions that negatively and materially impacts the financial projections to both the Manager of Revenue and Manager of Public Works; and

- m. Names and terms of board members of Board of Directors and officers to both the Manager of Revenue and Manager of Public Works.

For the year ending December 31, 2021, the District makes the following report:

- a. Annual District budget to both the Manager of Revenue, and Manager of Public Works;

The budget resolution is attached hereto as Exhibit A.

- b. Annual construction schedules and work and capital improvement programs for one (1) year and six (6) years to the Manager of Public Works;

The District is fully built-out and does not have any construction schedules or work and capital improvement programs.

- c. Annual audited financial statements of the District including percent of budget for operation and maintenance, to the Manager of Revenue;

The audited financial statements for the report year are attached at Exhibit B.

- d. Total Debt authorized and total debt issued and future debt issuances to the Manager of Revenue;

The total authorized debt for the District is \$13,000,000. The District previously issued its General Obligation Bonds, Series 2007 in the aggregate principal amount of \$5,000,000, and its General Obligation Bonds, Series 2010 in the aggregate principal

- e. Rules and regulations of the District regarding bidding, conflict of interest, contacting, and other governance matters to the Manager of Public Works;

There are no rules and regulations.

- f. Current intergovernmental agreements, if amended, to both the Manager of Revenue and Manager of Public Works;

The District did not enter into or amend any intergovernmental agreements during the report year.

- g. All current contracts for services or construction to the Manager of Public Works attached hereto as **Exhibit C**;

- Engagement Letter with CliftonLarsonAllen LLP for the report year Accounting Services
- Engagement Letter with Fiscal Focus Partners, LLC for the report year Audit

Services

- Consulting Agreement with Panattoni Development Company, Inc
- Property Management Agreement with Colliers International

h. Current documentation of credit enhancements to the Manager of Revenue;

No credit enhancements were issued in the report year.

i. Official statements of current outstanding bonded indebtedness, if not already received by the City, to the Manager or Revenue;

Official statements of current outstanding bonded indebtedness have already been provided to the City.

j. Current approved Service Plan, if amended, to both the Manager of Revenue and Manager of Public Works;

No Service Plan Amendments were filed in the reported year.

k. District office contact information to both the Manager of Revenue and Manager of Public Works;

The District's office contact is:

Mile High Business Center Metropolitan District
c/o Miller Law pllc
1555 California Street No. 505
Denver, CO 80202

l. Any change in proposed development assumptions that negatively and materially impacts the financial projections to both the Manager of Revenue and Manager of Public Works

At this time there are no changes in the development assumptions that result in a negative or material impact to the District's financial projections.

m. Names and terms of board members of Board of Directors and officers to both the Manager of Revenue and Manager of Public Works;

President	Matthew Chaiken	Term Expires May 2023
Secretary/Treasurer	Thomas B. Stahl	Term Expires May 2022
Assistant Secretary	Mark Tekavec	Term Expires May 2022
Assistant Secretary	Vacant	Term Expires May 2022
Assistant Secretary	Vacant	Term Expires May 2022

Exhibit A
2021 Budget Resolution

STATE OF COLORADO

COUNTY OF DENVER

MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT

I, Mark Tekavec, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of the Mile High Business Center Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held via zoom

<https://us02web.zoom.us/j/88317776785?pwd=ZlBJOThLN2w0Zm5JWFV5OU5iRGIOZz09>

Meeting ID: 883 1777 6785, Passcode: 428134, Telephone: 1 669 900 9128 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for the amended budget for fiscal year 2021; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17th day of March, 2022.

By: _____

DocuSigned by:
Mark Tekavec
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Mark Tekavec, Secretary/Treasurer

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET AS AMENDED**

3.9.22

	BUDGET 2021	ACTUAL 2021	Adjust- ments	AMENDED 2021
BEGINNING FUND BALANCES	\$ 821,281	\$ 804,523		\$ 821,281
REVENUES				
Property taxes	326,137	358,036	-	326,137
Net investment income	3,200	424	-	3,200
Total revenues	329,337	358,460	-	329,337
Total funds available	1,150,618	1,162,983	-	1,150,618
EXPENDITURES				
General and administration				
Accounting	37,000	19,860	(15,000)	22,000
Audit	6,000	5,600	-	6,000
City review fee	3,000	3,000	-	3,000
County Treasurer's fees	3,261	3,581	-	3,261
District management	12,000	21,000	9,000	21,000
Dues and membership	500	809	-	500
Election expense	1,500	-	-	1,500
Insurance	3,000	2,544	-	3,000
Legal	28,000	12,000	(10,000)	18,000
Miscellaneous	1,000	3	-	1,000
Operations and maintenance				
Drainage pond maintenance	30,000	104,310	75,000	105,000
Irrigation water	8,000	12,519	5,000	13,000
Landscaping	20,000	23,313	3,000	23,000
Storm drainage	1,000	26	-	1,000
Tree Replacement	35,000	31,456	-	35,000
Utility - Electricity	200	152	-	200
Contingency	19,539	-	(16,000)	3,539
Total expenditures	209,000	240,173	51,000	260,000
Total expenditures and transfers out requiring appropriation	209,000	240,173		260,000
ENDING FUND BALANCES	\$ 941,618	\$ 922,810		\$ 890,618

Exhibit A

BUDGET DOCUMENT AND BUDGET MESSAGE

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT, CITY AND COUNTY OF DENVER, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2021 AND ENDING ON THE LAST DAY OF DECEMBER, 2021.

WHEREAS, the Board of Directors (the "Board") of the Mile High Business Center Metropolitan District (the "District") has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2020; and

WHEREAS, the proposed 2021 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on October 20, 2020 in the The Daily Journal, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 9:30 AM on Thursday, October 29, 2020, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, 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.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT, DENVER COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2021 Revenues and 2021 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2021, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2021.

Section 3. 2021 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$325,629 and that the 2020 valuation for assessment, as certified by the Denver County Assessor, is \$32,562,900. That for the purposes of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2020.

Section 4. 2021 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$533,738 and that the 2020 valuation for assessment, as certified by the Denver County Assessor, is \$32,562,900. That for the purposes of meeting all debt retirement expenses of the District during the 2021 budget year, there is hereby levied a tax of 16.391 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2020.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the Denver County Board of County Commissioners, no later than December 15, 2020, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

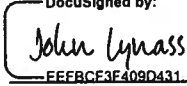
Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

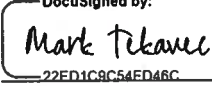
The foregoing Resolution was seconded by Director Stahl.

RESOLUTION APPROVED AND ADOPTED ON OCTOBER 29, 2020.

MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT

By: 
John Lynass, President

ATTEST:


Mark Tekavec, Secretary/Treasurer

STATE OF COLORADO
COUNTY OF DENVER
MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT

I, Mark Tekavec, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Mile High Business Center Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 9:30 AM on Thursday, October 29, 2020, at 7887 E. Belleview Avenue, Suite 475, Denver, Colorado 80111 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2021; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on October 29, 2020.

DocuSigned by:

Mark Tekavec

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Mark Tekavec, Secretary/Treasurer

EXHIBIT A
2021 BUDGET DOCUMENT & BUDGET MESSAGE FOR
MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT

MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 583,222	\$ 769,399	\$ 964,089
REVENUE			
Property taxes	797,788	821,279	860,709
Specific ownership tax	59,423	40,500	43,035
Interest income	21,152	9,000	3,700
Total revenue	<u>878,363</u>	<u>870,779</u>	<u>907,444</u>
Total funds available	<u>1,461,585</u>	<u>1,640,178</u>	<u>1,871,533</u>
EXPENDITURES			
General Fund	121,285	102,034	209,000
Debt Service Fund	570,901	574,055	579,000
Total expenditures	<u>692,186</u>	<u>676,089</u>	<u>788,000</u>
Total expenditures and transfers out requiring appropriation	<u>692,186</u>	<u>676,089</u>	<u>788,000</u>
ENDING FUND BALANCES	<u>\$ 769,399</u>	<u>\$ 964,089</u>	<u>\$ 1,083,533</u>

No assurances provided. See summary of significant assumptions.

**Mile High Business Center Metropolitan District
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION - Denver County			
Commercial	\$ 26,566,800	\$ 31,341,390	\$ 32,613,740
Certified Assessed Value	\$ 26,566,800	\$ 31,341,390	\$ 32,613,740
 MILL LEVY			
General	9.952	10.000	10.000
Debt Service	20.048	16.391	16.391
Total mill levy	30.000	26.391	26.391
 PROPERTY TAXES			
General	\$ 264,393	\$ 313,414	\$ 326,137
Debt Service	532,611	513,717	534,572
Levied property taxes	797,004	827,131	860,709
Adjustments to actual/rounding	784	(5,852)	-
Budgeted property taxes	\$ 797,788	\$ 821,279	\$ 860,709
 BUDGETED PROPERTY TAXES			
General	\$ 264,653	\$ 311,197	\$ 326,137
Debt Service	533,135	510,082	534,572
	\$ 797,788	\$ 821,279	\$ 860,709

No assurances provided. See summary of significant assumptions.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 448,878	\$ 605,118	\$ 821,281
REVENUE			
Property taxes	264,653	311,197	326,137
Interest income	12,872	7,000	3,200
Total revenue	<u>277,525</u>	<u>318,197</u>	<u>329,337</u>
Total funds available	<u>726,403</u>	<u>923,315</u>	<u>1,150,618</u>
EXPENDITURES			
General and administrative			
Accounting	34,576	37,000	37,000
Auditing	5,400	5,600	6,000
County Treasurer's fee	2,647	3,134	3,261
Dues and licenses	427	434	500
Insurance and bonds	2,508	2,510	3,000
District management	37,000	12,000	12,000
Legal services	6,766	10,000	28,000
Miscellaneous	797	50	1,000
Election expense	-	1,156	1,500
Contingency	-	-	19,539
Operations and maintenance			
Landscaping / snow removal	21,608	20,000	20,000
Tree replacement	-	-	35,000
City review fee	3,000	3,000	3,000
Utility - electricity	141	150	200
Irrigation - water	6,415	7,000	8,000
Drainage pond maintenance	-	-	30,000
Storm drainage	-	-	1,000
Total expenditures	<u>121,285</u>	<u>102,034</u>	<u>209,000</u>
Total expenditures and transfers out requiring appropriation	<u>121,285</u>	<u>102,034</u>	<u>209,000</u>
ENDING FUND BALANCE	<u>\$ 605,118</u>	<u>\$ 821,281</u>	<u>\$ 941,618</u>
EMERGENCY RESERVE	\$ 8,400	\$ 9,600	\$ 9,900
AVAILABLE FOR OPERATIONS	<u>596,718</u>	<u>811,681</u>	<u>931,718</u>
TOTAL RESERVE	<u>\$ 605,118</u>	<u>\$ 821,281</u>	<u>\$ 941,618</u>

No assurances provided. See summary of significant assumptions.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 134,344	\$ 164,281	\$ 142,808
REVENUE			
Property taxes	533,135	510,082	534,572
Specific ownership tax	59,423	40,500	43,035
Interest income	8,280	2,000	500
Total revenue	<u>600,838</u>	<u>552,582</u>	<u>578,107</u>
Total funds available	<u>735,182</u>	<u>716,863</u>	<u>720,915</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	5,331	5,137	5,346
Paying agent fees	-	3,000	3,000
Contingency	-	-	4,686
Debt Service			
Bond interest - Series 2017	240,570	230,918	220,968
Bond principal - Series 2017	325,000	335,000	345,000
Total expenditures	<u>570,901</u>	<u>574,055</u>	<u>579,000</u>
Total expenditures and transfers out requiring appropriation	<u>570,901</u>	<u>574,055</u>	<u>579,000</u>
ENDING FUND BALANCE	<u>\$ 164,281</u>	<u>\$ 142,808</u>	<u>\$ 141,915</u>

No assurances provided. See summary of significant assumptions.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized by Court Order in December 2005, and held its organizational meeting on January 20, 2006, to provide financing for the design, acquisition, installation and construction of streets, traffic and safety controls, water, sewer, and storm drainage facilities, and park and recreation. The District's service area is located entirely within the city of Denver (the "City"), Colorado. The District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the City. The District also provides the funding for infrastructure improvements and the tax base needed to support ongoing operations. The District was originally organized as Sand Creek Commerce Center Metropolitan District, but changed its name to Mile High Business Center Metropolitan District during 2006.

On November 1, 2005, District voters approved authorization to increase property tax up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$65,000,000 for the above listed facilities, \$13,000,000 for refunding debt, and \$5,000,000 for the cost of operating and maintaining the District's systems. Additionally, amounts were authorized for intergovernmental contracts of \$26,000,000. The election also provided for intergovernmental agreements as multi-fiscal year obligations and allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law. However, within the service plan for the District, the total debt that the District is permitted to issue shall not exceed \$13,000,000. Additionally, the service plan limits the mill levy to 50 mills for debt service. The service plan also limits 15 mills for operation and maintenance costs for the first five years of the District's existence and 10 mills thereafter, unless a higher mill levy for operation and maintenance costs is approved by the City.

The District has no employees and all services 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

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.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
2021 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 5% of the property taxes collected.

Net Investment Income

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

Expenditures

Administrative Expenditures

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.0% of property tax collections.

Debt and Leases

On December 21, 2017 the District issued Series 2017 Unlimited Tax General Obligation Refunding and Improvement Loan in the amount of \$8,425,000 to repay the outstanding Series 2007 and Series 2010 Bonds, as well as \$2,100,000 in new cash to fund infrastructure costs and repay developer advances. The Series 2017 Loan bears interest at 2.970% with a maturity date of December 1, 2037.

The District's current debt service schedule is attached.

The District has no operating or capital leases.

Reserves

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2021, defined under TABOR.

This information is an integral part of the accompanying budget.

**MILE HIGH METROPOLITAN DISTRICT
SCHEDULE OF DEBT MATURITY**

**\$8,425,000 Unlimited tax General Obligation
Refunding and Improvement Loan
Series 2017 - Dated December 21, 2017
Interest Rate 2.970%
Principal Payable December 1
Interest Payable June 1 and December 1**

Year (December 1)	Principal	Interest	Total
2021	\$ 345,000	\$ 220,968	\$ 565,968
2022	355,000	210,722	565,722
2023	365,000	200,178	565,178
2024	375,000	189,338	564,338
2025	385,000	178,200	563,200
2026	395,000	166,766	561,766
2027	410,000	155,034	565,034
2028	420,000	142,857	562,857
2029	435,000	130,383	565,383
2030	445,000	117,464	562,464
2031	460,000	104,247	564,247
2032	475,000	90,585	565,585
2033	485,000	76,478	561,478
2034	500,000	62,073	562,073
2035	515,000	47,223	562,223
2036	530,000	31,928	561,928
2037	545,000	16,187	561,187
	<u>\$ 7,440,000</u>	<u>\$ 2,140,628</u>	<u>\$ 9,580,628</u>

No assurance provided. See summary of significant assumptions.

MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 583,222	\$ 769,399	\$ 964,089
REVENUE			
Property taxes	797,788	821,279	860,709
Specific ownership tax	59,423	40,500	43,035
Interest income	21,152	9,000	3,700
Total revenue	<u>878,363</u>	<u>870,779</u>	<u>907,444</u>
Total funds available	<u>1,461,585</u>	<u>1,640,178</u>	<u>1,871,533</u>
EXPENDITURES			
General Fund	121,285	102,034	209,000
Debt Service Fund	570,901	574,055	579,000
Total expenditures	<u>692,186</u>	<u>676,089</u>	<u>788,000</u>
Total expenditures and transfers out requiring appropriation	<u>692,186</u>	<u>676,089</u>	<u>788,000</u>
ENDING FUND BALANCES	<u>\$ 769,399</u>	<u>\$ 964,089</u>	<u>\$ 1,083,533</u>

No assurances provided. See summary of significant assumptions.

**Mile High Business Center Metropolitan District
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION - Denver County			
Commercial	\$ 26,566,800	\$ 31,341,390	\$ 32,613,740
Certified Assessed Value	<u>\$ 26,566,800</u>	<u>\$ 31,341,390</u>	<u>\$ 32,613,740</u>
MILL LEVY			
General	9.952	10.000	10.000
Debt Service	20.048	16.391	16.391
Total mill levy	<u>30.000</u>	<u>26.391</u>	<u>26.391</u>
PROPERTY TAXES			
General	\$ 264,393	\$ 313,414	\$ 326,137
Debt Service	532,611	513,717	534,572
Levied property taxes	797,004	827,131	860,709
Adjustments to actual/rounding	784	(5,852)	-
Budgeted property taxes	<u>\$ 797,788</u>	<u>\$ 821,279</u>	<u>\$ 860,709</u>
BUDGETED PROPERTY TAXES			
General	\$ 264,653	\$ 311,197	\$ 326,137
Debt Service	533,135	510,082	534,572
	<u>\$ 797,788</u>	<u>\$ 821,279</u>	<u>\$ 860,709</u>

No assurances provided. See summary of significant assumptions.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 448,878	\$ 605,118	\$ 821,281
REVENUE			
Property taxes	264,653	311,197	326,137
Interest income	12,872	7,000	3,200
Total revenue	<u>277,525</u>	<u>318,197</u>	<u>329,337</u>
Total funds available	<u>726,403</u>	<u>923,315</u>	<u>1,150,618</u>
EXPENDITURES			
General and administrative			
Accounting	34,576	37,000	37,000
Auditing	5,400	5,600	6,000
County Treasurer's fee	2,647	3,134	3,261
Dues and licenses	427	434	500
Insurance and bonds	2,508	2,510	3,000
District management	37,000	12,000	12,000
Legal services	6,766	10,000	28,000
Miscellaneous	797	50	1,000
Election expense	-	1,156	1,500
Contingency	-	-	19,539
Operations and maintenance			
Landscaping / snow removal	21,608	20,000	20,000
Tree replacement	-	-	35,000
City review fee	3,000	3,000	3,000
Utility - electricity	141	150	200
Irrigation - water	6,415	7,000	8,000
Drainage pond maintenance	-	-	30,000
Storm drainage	-	-	1,000
Total expenditures	<u>121,285</u>	<u>102,034</u>	<u>209,000</u>
Total expenditures and transfers out requiring appropriation	<u>121,285</u>	<u>102,034</u>	<u>209,000</u>
ENDING FUND BALANCE	<u>\$ 605,118</u>	<u>\$ 821,281</u>	<u>\$ 941,618</u>
EMERGENCY RESERVE	\$ 8,400	\$ 9,600	\$ 9,900
AVAILABLE FOR OPERATIONS	596,718	811,681	931,718
TOTAL RESERVE	<u>\$ 605,118</u>	<u>\$ 821,281</u>	<u>\$ 941,618</u>

No assurances provided. See summary of significant assumptions.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 134,344	\$ 164,281	\$ 142,808
REVENUE			
Property taxes	533,135	510,082	534,572
Specific ownership tax	59,423	40,500	43,035
Interest income	8,280	2,000	500
Total revenue	<u>600,838</u>	<u>552,582</u>	<u>578,107</u>
Total funds available	<u>735,182</u>	<u>716,863</u>	<u>720,915</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	5,331	5,137	5,346
Paying agent fees	-	3,000	3,000
Contingency	-	-	4,686
Debt Service			
Bond interest - Series 2017	240,570	230,918	220,968
Bond principal - Series 2017	325,000	335,000	345,000
Total expenditures	<u>570,901</u>	<u>574,055</u>	<u>579,000</u>
Total expenditures and transfers out requiring appropriation	<u>570,901</u>	<u>574,055</u>	<u>579,000</u>
ENDING FUND BALANCE	<u>\$ 164,281</u>	<u>\$ 142,808</u>	<u>\$ 141,915</u>

No assurances provided. See summary of significant assumptions.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized by Court Order in December 2005, and held its organizational meeting on January 20, 2006, to provide financing for the design, acquisition, installation and construction of streets, traffic and safety controls, water, sewer, and storm drainage facilities, and park and recreation. The District's service area is located entirely within the city of Denver (the "City"), Colorado. The District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the City. The District also provides the funding for infrastructure improvements and the tax base needed to support ongoing operations. The District was originally organized as Sand Creek Commerce Center Metropolitan District, but changed its name to Mile High Business Center Metropolitan District during 2006.

On November 1, 2005, District voters approved authorization to increase property tax up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$65,000,000 for the above listed facilities, \$13,000,000 for refunding debt, and \$5,000,000 for the cost of operating and maintaining the District's systems. Additionally, amounts were authorized for intergovernmental contracts of \$26,000,000. The election also provided for intergovernmental agreements as multi-fiscal year obligations and allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law. However, within the service plan for the District, the total debt that the District is permitted to issue shall not exceed \$13,000,000. Additionally, the service plan limits the mill levy to 50 mills for debt service. The service plan also limits 15 mills for operation and maintenance costs for the first five years of the District's existence and 10 mills thereafter, unless a higher mill levy for operation and maintenance costs is approved by the City.

The District has no employees and all services 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

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.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
2021 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 5% of the property taxes collected.

Net Investment Income

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

Expenditures

Administrative Expenditures

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.0% of property tax collections.

Debt and Leases

On December 21, 2017 the District issued Series 2017 Unlimited Tax General Obligation Refunding and Improvement Loan in the amount of \$8,425,000 to repay the outstanding Series 2007 and Series 2010 Bonds, as well as \$2,100,000 in new cash to fund infrastructure costs and repay developer advances. The Series 2017 Loan bears interest at 2.970% with a maturity date of December 1, 2037.

The District's current debt service schedule is attached.

The District has no operating or capital leases.

Reserves

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2021, defined under TABOR.

This information is an integral part of the accompanying budget.

**MILE HIGH METROPOLITAN DISTRICT
SCHEDULE OF DEBT MATURITY**

**\$8,425,000 Unlimited tax General Obligation
Refunding and Improvement Loan
Series 2017 - Dated December 21, 2017
Interest Rate 2.970%
Principal Payable December 1
Interest Payable June 1 and December 1**

Year (December 1)	Principal	Interest	Total
2021	\$ 345,000	\$ 220,968	\$ 565,968
2022	355,000	210,722	565,722
2023	365,000	200,178	565,178
2024	375,000	189,338	564,338
2025	385,000	178,200	563,200
2026	395,000	166,766	561,766
2027	410,000	155,034	565,034
2028	420,000	142,857	562,857
2029	435,000	130,383	565,383
2030	445,000	117,464	562,464
2031	460,000	104,247	564,247
2032	475,000	90,585	565,585
2033	485,000	76,478	561,478
2034	500,000	62,073	562,073
2035	515,000	47,223	562,223
2036	530,000	31,928	561,928
2037	545,000	16,187	561,187
	<u>\$ 7,440,000</u>	<u>\$ 2,140,628</u>	<u>\$ 9,580,628</u>

No assurance provided. See summary of significant assumptions.

Exhibit B
AUDITED FINANCIAL STATEMENTS

**MILE HIGH BUSINESS CENTER
METROPOLITAN DISTRICT
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mile High Business Center Metropolitan District
City and County of Denver, Colorado

Opinions

We have audited the financial statements of the governmental activities and each major fund of Mile High Business Center Metropolitan District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2021, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary and other information (together, the information) as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
July 13, 2022

BASIC FINANCIAL STATEMENTS

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 968,181
Cash and Investments - Restricted	217,222
Property Taxes Receivable	888,765
Receivable from Country Treasurer	3,219
Prepaid Expenses	2,543
Capital Assets:	
Capital Assets, Net of Depreciation	224,042
Total Assets	2,303,972
LIABILITIES	
Accounts Payable	59,028
Accrued Interest Payable	17,560
Noncurrent Liabilities:	
Due Within One Year	355,000
Due in More Than One Year	6,740,000
Total Liabilities	7,171,588
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	888,765
Total Deferred Inflows of Resources	888,765
NET POSITION	
Net Investment in Capital Assets	224,042
Restricted For:	
Emergency Reserves	10,800
Debt Service	192,081
Unrestricted	(6,183,304)
Total Net Position	\$ (5,756,381)

See accompanying Notes to Basic Financial Statements.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 968,181	\$ -	\$ 968,181
Cash and Investments - Restricted	10,800	206,422	217,222
Property Tax Receivable	336,768	551,997	888,765
Receivable from County Treasurer	-	3,219	3,219
Prepaid Insurance	2,543	-	2,543
	<u>\$ 1,318,292</u>	<u>\$ 761,638</u>	<u>\$ 2,079,930</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 59,028	\$ -	\$ 59,028
Total Liabilities	59,028	-	59,028
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	336,768	551,997	888,765
Total Deferred Inflows of Resources	336,768	551,997	888,765
FUND BALANCES			
Nonspendable For:			
Prepaid Expenses	2,543	-	2,543
Restricted For:			
Emergency Reserves	10,800	-	10,800
Debt Service	-	209,641	209,641
Unassigned	909,153	-	909,153
Total Fund Balances	<u>922,496</u>	<u>209,641</u>	<u>1,132,137</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,318,292</u>	<u>\$ 761,638</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets, Net	224,042
---------------------	---------

Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(7,095,000)
Accrued Bond Interest	(17,560)

Net Position of Governmental Activities	<u>\$ (5,756,381)</u>
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See accompanying Notes to Basic Financial Statements.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 358,036	\$ 586,857	\$ 944,893
Specific Ownership Taxes	-	46,491	46,491
Net Investment Income	433	284	717
Total Revenues	358,469	633,632	992,101
EXPENDITURES			
Current:			
Accounting	19,860	-	19,860
Audit	5,600	-	5,600
County Treasurer's Fees	3,581	5,870	9,451
City Review Fee	3,000	-	3,000
Insurance	2,544	-	2,544
District Management	21,000	-	21,000
Dues and Subscriptions	809	-	809
Irrigation Water	12,519	-	12,519
Landscape Maintenance	23,636	-	23,636
Landscape Maintenance - Irrigation Repair	104,310	-	104,310
Legal	12,000	-	12,000
Storm Drainage	26	-	26
Tree Replacement	31,456	-	31,456
Utilities	152	-	152
Miscellaneous	3	-	3
Debt Service:			
Loan Interest - Series 2017	-	220,968	220,968
Loan Principal - Series 2017	-	345,000	345,000
Total Expenditures	240,496	571,838	812,334
NET CHANGE IN FUND BALANCES	117,973	61,794	179,767
Fund Balances - Beginning of Year	804,523	147,847	952,370
FUND BALANCES - END OF YEAR	\$ 922,496	\$ 209,641	\$ 1,132,137

See accompanying Notes to Basic Financial Statements.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Governmental Funds \$ 179,767

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Depreciation (15,764)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Loan Principal Payment 345,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Loan Interest - Change in Liability 854

Changes in Net Position of Governmental Activities \$ 509,857

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Property Taxes	\$ 326,137	\$ 326,137	\$ 358,036	\$ 31,899
Net Investment Income	3,200	3,200	433	(2,767)
Total Revenues	<u>329,337</u>	<u>329,337</u>	<u>358,469</u>	<u>29,132</u>
EXPENDITURES				
Accounting	37,000	22,000	19,860	2,140
Audit	6,000	6,000	5,600	400
County Treasurer's Fees	3,261	3,261	3,581	(320)
City Review Fee	3,000	3,000	3,000	-
Election	1,500	1,500	-	1,500
Insurance	3,000	3,000	2,544	456
District Management	12,000	21,000	21,000	-
Dues and Subscriptions	500	500	809	(309)
Irrigation Water	8,000	13,000	12,519	481
Landscape Maintenance	20,000	23,000	23,636	(636)
Landscape Maintenance - Drainage Pond	30,000	105,000	104,310	690
Legal	28,000	18,000	12,000	6,000
Storm Drainage	1,000	1,000	26	974
Tree Replacement	35,000	35,000	31,456	3,544
Utilities	200	200	152	48
Miscellaneous	1,000	1,000	3	997
Contingency	19,539	3,539	-	3,539
Total Expenditures	<u>209,000</u>	<u>260,000</u>	<u>240,496</u>	<u>19,504</u>
NET CHANGE IN FUND BALANCE	120,337	69,337	117,973	48,636
Fund Balance - Beginning of Year	<u>821,281</u>	<u>821,281</u>	<u>804,523</u>	<u>(16,758)</u>
FUND BALANCE - END OF YEAR	<u>\$ 941,618</u>	<u>\$ 890,618</u>	<u>\$ 922,496</u>	<u>\$ 31,878</u>

See accompanying Notes to Basic Financial Statements.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

Mile High Business Center Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for the city and County of Denver in November 2005 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 and County of Denver, Colorado. The District was established to provide financing for the design, acquisition, installation, and construction of water, sanitation, streets, safety protection and park and recreation facilities. Upon the completion of the infrastructure improvements, the District anticipates dedicating most of the improvements to the city or to such other governmental entity as appropriate. The District also provides the funding for infrastructure improvements and the tax base needed to support ongoing operations.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2021.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Assets included in construction in progress that the District will convey to other entities are not included in the calculation of net investment in capital assets.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Streets	20 Years
---------	----------

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 968,181
Cash and Investments - Restricted	<u>217,222</u>
Total Cash and Investments	<u><u>\$ 1,185,403</u></u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 6,898
Investments	<u>1,178,505</u>
Total Cash and Investments	<u><u>\$ 1,185,403</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021, the District’s cash deposits had a bank balance of \$6,898 and a carrying balance of \$6,898.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 1,178,505
Total		<u>\$ 1,178,505</u>

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAmmf by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net value using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	Balance - December 31, 2020	Additions	Retirements	Balance - December 31, 2021
Governmental Activities				
Capital Assets, Being				
Depreciated:				
Streets - East Shared Drive	\$ 315,276	\$ -	\$ -	\$ 315,276
Total Capital Assets, Being				
Depreciated	315,276	-	-	315,276
Less Accumulated Depreciation				
For:				
Streets - East Shared Drive	(75,470)	(15,764)	-	(91,234)
Total Accumulated				
Depreciation	(75,470)	(15,764)	-	(91,234)
Total Capital Assets, Being				
Depreciated, Net	\$ 239,806	\$ (15,764)	\$ -	\$ 224,042

Depreciation expense was charged to the governmental operations of the District for the year ended December 31, 2021.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS

The District's outstanding long-term obligations at December 31, 2021, were as follows:

	Balance - December 31, 2020	Additions	Reductions	Balance - December 31, 2021	Due Within One Year
Notes / Loans / Bonds From Direct Borrowing and Direct Placement: General Obligation Refunding and Improvement Loan Series 2017	\$ 7,440,000	\$ -	\$ 345,000	\$ 7,095,000	\$ 355,000
Total	<u>\$ 7,440,000</u>	<u>\$ -</u>	<u>\$ 345,000</u>	<u>\$ 7,095,000</u>	<u>\$ 355,000</u>

The details of the District's long-term obligations are as follows:

\$8,425,000 General Obligation Refunding and Improvement Loan, Series 2017, was issued on December 21, 2017, in the original amount of \$8,425,000. The loan matures on December 1, 2037, with principal payments starting at \$325,000 on December 1, 2018. The loan bears interest at 2.97%, payable semiannually on June 1 and December 1. The loan may be prepaid prior to maturity, at the option of the District, in part, in any amount not exceeding \$250,000 annually on any principal payment date with no penalty. The loan may be prepaid prior to the maturity date, in whole but not in part, on or after December 1, 2024 at a prepayment price equal to the sum of the loan balance plus accrued interest thereon with no prepayment fee. The District will give the lender at least 10 days' notice prior to any prepayment.

The occurrence or existence of any one or more of the following events shall be an Event of Default:

- (a) The District fails to pay the principal and interest on the loan when due;
- (b) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required;
- (c) The District defaults in the performance or observation of any of the covenants, agreements, or conditions on the part of the District and fails to remedy the same after notice; or
- (d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the loan.

Acceleration of the Series 2017 Loan shall not be a remedy for any default or Event of Default unless the bank has directed such acceleration.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 355,000	\$ 210,722	\$ 565,722
2023	365,000	200,178	565,178
2024	375,000	189,338	564,338
2025	385,000	178,200	563,200
2026	395,000	166,766	561,766
2027-2031	2,170,000	649,985	2,819,985
2032-2036	2,505,000	308,287	2,813,287
2037	545,000	16,187	561,187
Total	<u>\$ 7,095,000</u>	<u>\$ 1,919,663</u>	<u>\$ 9,014,663</u>

Authorized Debt

On November 1, 2005, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$109,000,000 at an interest rate not to exceed 18% per annum:

	<u>Authorized November 1, 2005 Election</u>	<u>Series 2007 Authorization Used</u>	<u>Series 2010 Authorization Used</u>	<u>Series 2017 Authorization Used</u>	<u>Remaining at December 31, 2021</u>
Street Improvement, Traffic and Safety Controls	\$ 13,000,000	\$ 1,095,447	\$ 1,334,234	\$ 944,297	\$ 9,626,022
Water Supply System	13,000,000	1,304,512	605,788	286,811	10,802,889
Storm and Sanitary System	13,000,000	2,600,041	1,044,978	632,598	8,722,383
Parks and Recreation Facilities	13,000,000	-	-	149,920	12,850,080
Traffic and Safety	13,000,000	-	-	86,374	12,913,626
Debt Refunding	13,000,000	-	-	6,325,000	6,675,000
Intergovernmental Contracts	13,000,000	-	-	-	13,000,000
Reimbursement	13,000,000	-	-	-	13,000,000
Operations and Maintenance	5,000,000	-	-	-	5,000,000
Total	<u>\$ 109,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 2,985,000</u>	<u>\$ 8,425,000</u>	<u>\$ 92,590,000</u>

Per the Service Plan, the general obligation debt of the District shall not exceed \$13,000,000. In addition, the maximum debt service mill levy for the District is 50 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District.

No changes to the ratio have occurred and the maximum mill levy for the debt service remains 50 mills. A maximum of 15 mills may be levied for operation and maintenance costs for the first five years and 10 mills thereafter.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2021, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	<u>\$ 224,042</u>

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2021, as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserves	\$ 10,800
Debt Service	192,081
Total Restricted Net Position	<u>\$ 202,881</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, which were transferred to other governments for ownership and maintenance.

NOTE 7 RELATED PARTY

The members of the Board of Directors are employees, owners, or are otherwise associated with Colliers International and may have conflicts of interest in dealing with the District. During 2021, the District paid Colliers International \$18,500.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in the past fiscal year.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 1, 2005, District voters passed an election question to increase property taxes \$5,000,000 annually to pay the District's operational and maintenance costs, without regard to any limitations under TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 534,572	\$ 586,857	\$ 52,285
Specific Ownership Taxes	43,035	46,491	3,456
Net Investment Income	500	284	(216)
Total Revenues	<u>578,107</u>	<u>633,632</u>	<u>55,525</u>
EXPENDITURES			
Debt Service:			
County Treasurer's Fees	5,346	5,870	(524)
Loan Interest - Series 2017	220,968	220,968	-
Loan Principal - Series 2017	345,000	345,000	-
Paying Agent Fees	3,000	-	3,000
Contingency	4,686	-	4,686
Total Expenditures	<u>579,000</u>	<u>571,838</u>	<u>7,162</u>
NET CHANGE IN FUND BALANCE	(893)	61,794	62,687
Fund Balance - Beginning of Year	<u>142,808</u>	<u>147,847</u>	<u>5,039</u>
FUND BALANCE - END OF YEAR	<u>\$ 141,915</u>	<u>\$ 209,641</u>	<u>\$ 67,726</u>

OTHER INFORMATION

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

<u>Loan and Interest Maturing in the Year Ending December 31,</u>	\$8,425,000 General Obligation Loan Dated December 21, 2017 Interest rate 2.97%		
	Total Requirements		
	<u>Interest due Semi-annually, Principal due December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 355,000	\$ 210,722	\$ 565,722
2023	365,000	200,178	565,178
2024	375,000	189,338	564,338
2025	385,000	178,200	563,200
2026	395,000	166,766	561,766
2027	410,000	155,034	565,034
2028	420,000	142,857	562,857
2029	435,000	130,383	565,383
2030	445,000	117,464	562,464
2031	460,000	104,247	564,247
2032	475,000	90,585	565,585
2033	485,000	76,478	561,478
2034	500,000	62,073	562,073
2035	515,000	47,223	562,223
2036	530,000	31,928	561,928
2037	545,000	16,187	561,187
Total	<u>\$ 7,095,000</u>	<u>\$ 1,919,663</u>	<u>\$ 9,014,663</u>

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for		Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2017	\$ 23,979,200	9.952	25.048	\$ 839,272	\$ 839,278	100.0 %
2018	26,970,550	9.952	20.048	809,117	809,117	100.0
2019	26,566,800	9.952	20.048	797,004	797,788	100.1
2020	31,341,390	10.000	16.391	827,131	820,877	99.2
2021	32,613,740	10.000	16.391	860,709	944,893	109.8
Estimated for the Year Ending December 31, 2022	\$ 33,676,840	10.000	16.391	\$ 888,765		

NOTE: Periodically, the District may receive delinquent, abated or refunded taxes for prior years. These are recorded in the year received. The additional tax receipt in 2021 is due to a personal property tax audit by the State Treasury.

Exhibit C
ENGAGEMENT LETTERS

**ADDENDUM TO ENGAGEMENT LETTER
BETWEEN
MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
AND CLIFTONLARSONALLEN LLP**

THIS ADDENDUM TO ENGAGEMENT LETTER BETWEEN MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT AND CLIFTONLARSONALLEN LLP (the "Addendum") is entered into to become effective as of November 22, 2017, by and between the MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and CLIFTONLARSONALLEN, LLP, a limited liability partnership (the "Consultant"), individually referred to herein as a "Party" and collectively referred to herein as the "Parties."

RECITALS

WHEREAS, the District was organized pursuant to and exist in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S., for the purpose of providing of certain public improvements, facilities and services, to and for the use and benefit of its inhabitants and/or taxpayers; and

WHEREAS, the Board of Directors of the District is granted certain powers to assist in the carrying out of the purposes of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District;

WHEREAS, pursuant to § 32-1-1001(1)(i), the District is empowered to appoint, hire and retain agents, employees, engineers and attorneys; and

WHEREAS, the District has retained the Consultant to provide certain services, the terms and conditions for which have been memorialized in an Engagement Letter dated November 14, 2017 (the "Engagement Letter"), attached hereto and made a part hereof; and

WHEREAS, the Parties wish to enter into this Addendum to incorporate certain additional provisions that were not otherwise included in the Engagement Letter.

THEREFORE, in consideration of the mutual covenants and stipulations hereinafter set forth, the sufficiency of which is hereby acknowledged, the Parties do hereto agree as follows:

1. **ADDENDUM.** The terms of this Addendum shall be considered to be merged and incorporated into the Engagement Letter and together shall be read as the whole agreement between the Parties regarding the matters described herein and therein. For purposes herein, the term "Agreement" shall be considered to refer to, collectively, the Engagement Letter and this Addendum. In the event of any conflict between the Engagement Letter and this Addendum, the terms of this Addendum shall govern.

2. **INDEPENDENT CONTRACTOR.** The Consultant is an independent contractor and nothing contained herein shall be construed as constituting any relationship with the District other than that of owner and independent contractor, nor shall it be construed as creating any relationship whatsoever between the District and the Consultant's agents, contractors, sub-contractors or employees. Neither the Consultant nor any of its agents, contractors, sub-contractors or employees are or shall be deemed employees of the District. The Consultant is not, and shall not act as, the agent of the District. The Consultant has no authority to hire or contract on behalf of the District and shall not make any representation to the contrary. The agents, contractors, sub-contractors and employees who assist the Consultant in the performance of the services provided under this Agreement shall at all times be under the Consultant's exclusive direction and control and shall be employees of the Consultant and not employees of the District. The Consultant shall pay all wages, salaries and other amounts due its agents, contractors, sub-contractors and employees in connection with the performance of all services provided under this Agreement and shall be responsible for all reports and obligations respecting such agents, contractors, sub-contractors and employees, including, without limitation, social security tax, income tax withholding, unemployment compensation, worker's compensation, employee benefits and similar matters. Further, the Consultant has sole authority and responsibility to employ, discharge and otherwise control its agents, contractors, sub-contractors and employees. The Consultant has sole authority and responsibility as principal for its agents, employees and all others it hires to perform or assist in performing the services provided under this Agreement, if any. **The Consultant is not entitled to worker's compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

3. **INDEMNIFICATION.** The Consultant agrees, to the fullest extent permitted by law, to indemnify the District and each of its directors, officers, agents and employees against all damages, liabilities, costs and losses, including reasonable attorney's fees and defense costs, arising from the intentional misconduct, negligent acts, errors or omissions of the Consultant or its sub-consultants in the performance of professional services under this Addendum. The Consultant is not obligated to indemnify the District for the District's own negligence or intentional misconduct. The Consultant's defense obligation will be satisfied by reimbursement of the District's attorney's fees to the extent the Consultant is found liable for the claims covered by this indemnity. This indemnification obligation shall survive the expiration or termination of this Agreement.

Insurance coverage requirements specified herein shall in no way lessen or limit the liability of the Consultant under the terms of this indemnification obligation. The Consultant shall obtain, at its own expense, any additional insurance that it deems necessary for the District's protection in the performance of this Agreement.

This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

4. ILLEGAL ALIENS:

A. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Consultant hereby certifies to the District that the Consultant shall not knowingly employ or contract with an illegal alien to perform work under the Agreement or enter into a contract with a subconsultant that knowingly employs or contracts with an illegal alien to perform under the Agreement. The Consultant represents, warrants and agrees that it has participated or has attempted to participate in the E-Verify Program (as defined in Section 8-17.5-101(3.7), C.R.S., as amended) in order to confirm the employment eligibility of all employees of the Consultant who are newly hired for employment in the United States.

B. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Consultant shall not: (i) knowingly employ or contract with an illegal alien to perform work under the Agreement; or (ii) enter into a contract with a subconsultant that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

C. The Consultant represents and warrants that it has verified or attempted to verify through participation in the E-Verify Program the employment eligibility of all of its employees who are newly hired for employment in the United States, and if the Consultant is not accepted into the E-Verify Program prior to entering into this Agreement the Consultant shall apply to participate in the E-Verify Program every three (3) months until the Consultant is accepted or the Agreement has been completed, whichever occurs earlier. This provision shall be effective for so long as the E-Verify Program is in effect.

D. The Consultant shall not use E-Verify Program procedures to undertake pre-employment screening of job applicants while this Agreement is in effect.

E. If the Consultant obtains actual knowledge that a subconsultant performing work under this Agreement knowingly employs or contracts with an illegal alien, the Consultant shall:

(i) Notify the subconsultant and the District within three (3) days that the Consultant has actual knowledge that the subconsultant is employing or contracting with an illegal alien; and

(ii) Terminate the contract with the subconsultant if, within three (3) days of receiving the notice required pursuant to sub-paragraph (i) above, the subconsultant does not stop employing or contracting with the illegal alien; except that the Consultant shall not terminate the contract with the subconsultant if during such three (3) days the subconsultant provides information to establish that the subconsultant has not knowingly employed or contracted with an illegal alien.

F. The Consultant shall comply with any and all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment, pursuant to applicable law.

G. If the Consultant violates any provision of this Agreement or §§ 8-17.5-101, *et seq.*, C.R.S., the District may terminate the Agreement immediately and the Consultant shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Consultant to the Colorado Secretary of State, as required by law.

5. **DISTRICT PAYMENTS ARE SUBJECT TO ANNUAL APPROPRIATION AND BUDGET.** The Consultant expressly understands and agrees that the District's obligations hereunder shall extend only to monies appropriated for the purposes of this Agreement by the District and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the District, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the District or statutory debt limitation, including, without limitation, Article X, Section 20, or Article XI, Sections 1, 2 or 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of District funds, nor shall any provision of this Agreement restrict the future issuance of bonds or obligations payable from any class or source of District funds.

6. **WORK PRODUCT.** The District acknowledge the Consultant's documents prepared pursuant to this Agreement, including but not limited to, all plans, drawings, specifications, reports, electronic files and other documents are instruments of professional service. Nevertheless, the final documents prepared under this Agreement shall become the property of the District upon completion of the services or termination of this Agreement, which ever occurs first, and the payment in full of all monies due to the Consultant. The District shall not reuse or make any modification to the Consultant's documents, other than for the purposes for which the work was intended, without the prior review and written authorization of the Consultant. The Consultant shall maintain copies on file of Consultant's documents involved in the services provided under this Agreement for five (5) years, shall make them available for the District's use and shall provide such copies to the District, upon request, at commercial printing or reproduction rates. At any time within the five (5) years during which the Consultant must retain copies of Consultant's documents involved in the services provided under this Agreement, the District may obtain copies of the Consultant's documents by paying printing or reproduction costs as set forth above.

7. **ENTIRE AGREEMENT.** This Agreement constitutes the entire Agreement between the Parties hereto relating to the services and sets forth the rights, duties and obligations of each to the other as of this date. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified, except by a writing executed by both the Consultant and the District.

8. **NO WAIVER.** No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver, unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

9. **CONTROLLING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

10. **CONFLICTS OF INTEREST.** Except as otherwise disclosed, to the best of the Consultant's knowledge and belief, neither the Consultant nor any sub-consultant has other interests which conflict with the interests of the District. The Consultant shall make written inquiry of all of its sub-consultants, if any, concerning the existence of or potential for such conflict and disclose those to the District. At its discretion, the District may grant a written waiver for a particular employee or sub-consultant.

11. **SEVERABILITY.** The invalidity or unenforceability of any portion or provision of this Agreement shall not affect the validity or enforceability of any other portion or provision. If any provision of this Agreement or the application thereof to any person, entity or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end, the provisions of this Agreement and each and every provision thereof, are declared to be severable.

12. **GOVERNMENTAL IMMUNITY.** Nothing herein shall be construed as a waiver of the rights and privileges of the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., as amended from time to time.

13. **COUNTERPART EXECUTION.** This Addendum may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

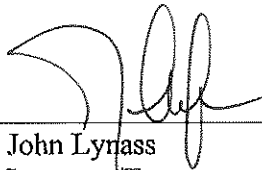
IN WITNESS WHEREOF, the Parties have executed this Addendum on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Addendum.

**MILE HIGH BUSINESS CENTER
METROPOLITAN DISTRICT**



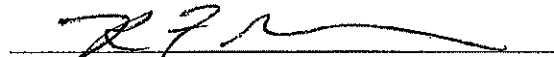
By: James Odewald
Its: President

ATTEST:



By: John Lynass
Its: Secretary/Treasurer

CLIFTONLARSONALLEN, LLP



By: Kevin Collins, CPA
Its: Principal, Outsourcing Team



CliftonLarsonAllen

CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 500
Greenwood Village, CO 80111
303-779-5710 | fax 303-779-0348
CLAcconnect.com

November 14, 2017

Mile High Business Center Metropolitan District
8390 E. Crescent Parkway, Suite 500
Greenwood Village, CO 80111

We are pleased to serve you on this consulting engagement. The purpose of this letter is to confirm the terms of our agreement and to clarify the nature and extent of the services to be provided.

Kevin Collins will be the client partner responsible for these services to be provided to you. Dawn Herrington will also be assigned to your account. This arrangement ensures that another person you know will be familiar with your operations. It also provides a person who can substitute for Kevin should he not be available. We hope you will call either of these persons when you believe the firm can be of assistance.

We will perform the consulting procedures described below. This engagement is solely to assist the required parties in evaluating schedules prepared by D.A. Davidson & Co. (the Placement Agent) with respect to the proposed Mile High Business Center Metropolitan District, City and County of Denver, Colorado, (the District) General Obligation Refunding and Improvement Loan, Series 2017 (the Refunding Loan), and the related refunding of the District's currently outstanding Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2007, dated August 7, 2007, and Unlimited Tax General Obligation Bonds, Series 2010, dated September 30, 2010, (collectively, the Refunded Bonds).

Our engagement will be conducted in accordance with Statements on Standards for Consulting Services established by the American Institute of Certified Public Accountants. The sufficiency of the procedures conducted is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below; either for the purpose for which this report has been requested or for any other purpose. If for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

We will compare the debt maturity schedules for the Refunded Bonds, as prepared by the Placement Agent, to the original maturity schedules as shown in the Indentures of Trust authorizing the issuance of the Refunded Bonds. Our comparison will include the maturity dates, annual principal payments, interest rates, call premium and call dates.

We will recalculate the escrow payment requirements for the refunding of the Refunded Bonds up to and through the respective call dates.

We will recalculate the semi-annual cash receipts relating to the escrow securities as shown in the schedule provided by the Placement Agent and determine whether the schedule provided by the Placement Agent is mathematically accurate.



We will compare the amounts and interest rates on the escrow securities to the SLGS daily rate sheet as provided by the Bureau of the Public Debt as of the date of subscription for United States Treasury State and Local Government Securities or to trade tickets for United States Treasury Securities, and to information provided by the Placement Agent.

We will recalculate the amounts displayed as Totals and Present Values, as shown on the exhibit of proposed refunding escrow receipts and yield calculation and the exhibit of proposed debt service requirements and escrow yield limitation, and determine whether they are mathematically accurate.

We will trace the semi-annual cash receipts relating to the escrow securities and the debt service disbursements for the Refunded Bonds to the exhibit of proposed refunding escrow transactions. We will compare the beginning cash balance on the exhibit of proposed refunding escrow transactions to the exhibit of proposed schedule of sources and uses of funds, as provided by the Placement Agent, and will recalculate the arithmetical accuracy of the ending cash balance, after semi-annual receipts and disbursements.

We will compare the present value yield calculation on the escrow securities in the Refunding Escrow to the present value yield calculation on the Refunding Loan.

This letter constitutes the entire agreement regarding services to be provided to you and to the parties specified in our report and supersedes all prior agreements, understandings, negotiations, and discussions between us, whether oral or written. This agreement may be supplemented by other written agreements.

Because the procedures described above do not constitute an audit, we will not express an opinion on the schedules prepared by the Placement Agent. In addition, we have no obligation to perform any procedures beyond those described above.

We will submit a report listing the consulting procedures performed and our findings. This report is intended solely for the use of the District, the Placement Agent, Bond Counsel, and the Trustee, Insurer, and Rating Agency, as applicable, and should not be used by any other parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We estimate that our fee for these services will be \$3,500. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoice for this fee will be rendered upon completion of the work and is payable upon presentation.

You hereby agree that if any statement is not paid within 30 days from its date, that the balance remaining from time-to-time unpaid shall draw interest at the monthly rate of 1½%, which is an annual percentage rate of 18%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

This engagement is limited to that described in this letter. As such, you understand and agree that we are acting solely as accountants. We are not acting in any way as a fiduciary or assuming any fiduciary responsibilities for you.

CliftonLarsonAllen LLP certifies that as of the date of this letter, it does not knowingly employ or contract with an illegal alien to perform work under this Agreement. We have confirmed or attempted to confirm the employment eligibility of all employees who are newly hired for employment in the United States through participation in the Basic Pilot Program. The District may terminate this Agreement if we do not comply with the provisions of C.R.S. 8-17.5 – 102(2) and we shall be liable for actual and consequential damages to the District. We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to C.R.S. 8-17.5-102(5).

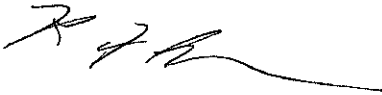
The working papers for our engagement are the sole and exclusive property of CliftonLarsonAllen LLP and constitute confidential and proprietary information. We do not provide access to our work papers to you or anyone else in the normal course of business. Should we be ordered by a valid subpoena or other appropriate court order to provide access to or copies of our work papers, you agree to reimburse us for the time and out-of-pocket expense necessary to comply with such order.

We will do our uppermost to provide quality service to you. We do not anticipate any difficulties in meeting the expectations recited in this letter. However, in the unlikely event that there are disagreements regarding our services, any claims against CliftonLarsonAllen LLP as a result of the engagement, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, must be brought within one year from the date of our report, or if a report is not issued, within one year from the date of the acceptance of this letter. Any damages will be limited to the amount of fees paid to CliftonLarsonAllen LLP.

You hereby agree that the District will indemnify CliftonLarsonAllen LLP and its partners, principals and employees and hold them harmless from any claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Board or any employee and/or consultant hired by the District, regardless of whether such person was acting in the best interests of the District. The foregoing indemnification agreement commitment shall be limited by and subject to the rights, defenses and limitations upon liability available to the District pursuant to Colorado Statutes.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy to confirm your understanding and return it to us. If the need for additional services arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter.

Very truly yours,



Kevin Collins, CPA
Principal, Outsourcing Team
303-779-5710
kevin.collins@CLAconnect.com

APPROVED:



Signature

PRESIDENT

Title

11/21/17

Date



November 19, 2021

To the Board of Directors and Management
Mile High Business Center Metropolitan District
City and County of Denver, Colorado

We are pleased to confirm our understanding of the services we are to provide Mile High Business Center Metropolitan District (the District) for the year ended December 31, 2021.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2021. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with generally accepted auditing standards (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. If you elect to omit the MD&A as in prior years, our report, under current reporting guidance, will contain a statement that MD&A is omitted, and that our opinion on the basic financial statements is not affected by such omission. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, will be subjected to the auditing procedures applied in our audit of the financial statements.

We have also been engaged to report on supplementary and other information, other than RSI, that accompanies the District's financial statements. We will subject the following supplementary and other information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund
- 2) Schedule of Debt Service Requirements to Maturity
- 3) Schedule of Assessed Valuation, Mill Levy, and Property Taxes Collected

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Fiscal Focus Partners, LLC

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories (if applicable), and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Audit Procedures—Internal Control

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for any nonattest services we may provide.

Engagement Administration, Fees, and Other

We understand that your employees or consultants will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Fiscal Focus Partners, LLC (FFP) and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an applicable regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of FFP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulator or its designee. The regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Eric Barnes or Susan Opalinski will be the engagement partner and will be responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on a date mutually agreed to by your accountants and our firm, and to issue our reports no later than July 31, 2022, or September 30, 2022 if the District requests an extension of time from the state auditor.

Our fee for services will be \$5,900 plus out-of-pocket costs (such as postage, mileage, etc.) Our invoice for these fees will be rendered upon completion of fieldwork and in-house review and is payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel, contractors, and professionals, and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

Contractor Certification Regarding Illegal Aliens – Public Contracts for Services

Pursuant to the requirements of Section 8-17.5–102(1), C.R.S., we hereby certify to the District that we do not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that we participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of Fiscal Focus Partners, LLC who are newly hired to perform work under the Agreement.

In accordance with Section 8-17.5-102(2)(a), C.R.S., we shall not:

- 1) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or
- 2) Enter into a contract with a subcontractor that fails to certify to us that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

We represent and warrant that we have confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

We are prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

If we obtain actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, we shall:

- 1) Notify the subcontractor and the District within three days that we have actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- 2) Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that we shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

We shall comply with any reasonable request by the Colorado Department of Labor and Employment ("Department") made in the course of an investigation that the Department is undertaking, pursuant to the law.

If we violate any provision of Section 8-17.5–102(1), C.R.S., the District may terminate the Agreement immediately and we shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by us to the Colorado Secretary of State, as required by law.

Page 5 of 5

We appreciate the opportunity to be of service to Mile High Business Center Metropolitan District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Fiscal Focus Partners, LLC

Fiscal Focus Partners, LLC

RESPONSE:

This letter correctly sets forth the understanding of Mile High Business Center Metropolitan District.

Authorized signature: DocuSigned by: Mark Tekavec Title: Secretary
AE82C961E8804EE...

Date: 2/22/2022