

LETTER OF BUDGET TRANSMITTAL

Date: January 24, 2024

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

Attached are the 2024 budget and budget message for the HM METROPOLITAN DISTRICT NO. 3, Adams County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 6, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP
Attn: Matthew Urkoski, District Manager
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710
Matt.urkoski@claconnect.com

I, Matthew Urkoski, District Manager of the HM Metropolitan District No. 3 hereby certify that the attached is a true and correct copy of the 2024 budget.

By:



Matthew Urkoski, District Manager

CERTIFICATION OF 2024 BUDGET FOR
HM METROPOLITAN DISTRICT NO. 3

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for HM Metropolitan District No. 3, for the budget year ending December 31, 2024, as adopted December 6, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of HM Metropolitan District No. 3 in Adams County, Colorado, this 6th day of December, 2023.



DocuSigned by:

Rick Wells

CFC3C47AAC354AF...

Chair

HM METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**HM METROPOLITAN DISTRICT NO. 3
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/15/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (485,111)	\$ 16,212,649	\$ 11,564,898
REVENUES			
Property taxes	-	66	59
Specific ownership taxes	-	3	4
Land sale	24,218,088	-	-
Interest income	-	345,000	450,000
Developer advance	-	49,000	50,000
Total revenues	<u>24,218,088</u>	<u>394,069</u>	<u>500,063</u>
Total funds available	<u>23,732,977</u>	<u>16,606,718</u>	<u>12,064,961</u>
EXPENDITURES			
General Fund	9,881	38,820	50,000
Capital Projects Fund	7,510,447	5,003,000	12,014,530
Total expenditures	<u>7,520,328</u>	<u>5,041,820</u>	<u>12,064,530</u>
Total expenditures and transfers out requiring appropriation	<u>7,520,328</u>	<u>5,041,820</u>	<u>12,064,530</u>
ENDING FUND BALANCES	<u>\$ 16,212,649</u>	<u>\$ 11,564,898</u>	<u>\$ 431</u>
EMERGENCY RESERVE	\$ -	\$ 2	\$ 2
REGIONAL IMPROVEMENTS	-	68	130
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 132</u>

**HM METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/15/23

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Agricultural	\$	10	\$	8,790	\$	9,380
State assessed		-		2,780		2,390
Certified Assessed Value	\$	10	\$	11,570	\$	11,770

MILL LEVY

General		0.000		5.000		5.000
Total mill levy		0.000		5.000		5.000

PROPERTY TAXES

General	\$	-	\$	58	\$	59
Levied property taxes		-		58		59
Adjustments to actual/rounding		-		8		-
Budgeted property taxes	\$	-	\$	66	\$	59

BUDGETED PROPERTY TAXES

General	\$	-	\$	66	\$	59
	\$	-	\$	66	\$	59

**HM METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/15/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ (9,881)	\$ 368
REVENUES			
Property taxes	-	66	59
Specific ownership taxes	-	3	4
Developer advance	-	49,000	50,000
Total revenues	-	49,069	50,063
Total funds available	-	39,188	50,431
EXPENDITURES			
General and administrative			
Accounting	2,996	14,000	16,000
Auditing	-	5,700	6,500
County Treasurer's fees	-	1	1
Dues and membership	-	309	1,000
Insurance	250	2,810	5,000
District management	476	6,000	8,000
Legal	6,159	10,000	13,000
Election	-	-	-
Contingency	-	-	499
Total expenditures	9,881	38,820	50,000
Total expenditures and transfers out requiring appropriation	9,881	38,820	50,000
ENDING FUND BALANCES	\$ (9,881)	\$ 368	\$ 431
EMERGENCY RESERVE	\$ -	\$ 2	\$ 2
REGIONAL IMPROVEMENTS	-	68	130
TOTAL RESERVE	\$ -	\$ 70	\$ 132

**HM METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/15/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (485,111)	\$ 16,222,530	\$ 11,564,530
REVENUES			
Land sale	24,218,088	-	-
Interest income	-	345,000	450,000
Total revenues	<u>24,218,088</u>	<u>345,000</u>	<u>450,000</u>
Total funds available	<u>23,732,977</u>	<u>16,567,530</u>	<u>12,014,530</u>
EXPENDITURES			
General and administrative			
Accounting	58	3,000	5,000
Legal	-	-	1,000
Capital Projects			
Transfers to District No. 1	7,510,389	5,000,000	12,000,000
Capital outlay	-	-	8,530
Total expenditures	<u>7,510,447</u>	<u>5,003,000</u>	<u>12,014,530</u>
Total expenditures and transfers out requiring appropriation	<u>7,510,447</u>	<u>5,003,000</u>	<u>12,014,530</u>
ENDING FUND BALANCES	<u>\$ 16,222,530</u>	<u>\$ 11,564,530</u>	<u>\$ -</u>

**HM METROPOLITAN DISTRICT NO. 3
2024 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County on November 22, 2019 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Aurora. The District's service area is located in Aurora.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including street, safety protection, park and recreation, transportation, retaining walls, trails, open space, landscaping, drainage improvements, and irrigation system improvements.

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

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

Revenues

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

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.

**HM METROPOLITAN DISTRICT NO. 3
2024 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7.00% of the property taxes collected by the District.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the Districts' administrative viability such as legal, management, accounting, insurance and meeting expense.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

**HM METROPOLITAN DISTRICT NO. 3
2024 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District does not have any debt. Additionally, the District has no operating or capital leases.

Reserves

Emergency Reserves

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

Regional Improvements

The District reserves net property tax revenue to be spent on future Regional Improvements.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Adams County, Colorado.

On behalf of the HM Metropolitan District No. 3

(taxing entity)^A

the Board of Directors

(governing body)^B

of the HM Metropolitan District No. 3

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 11,770
(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 11,770
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/14/23 for budget/fiscal year 2024
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>5.000</u> mills	\$ <u>59</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>5.000</u> mills	\$ <u>59</u>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>5.000</u> mills	\$ <u>59</u>

Contact person: Jason Carroll Phone: (303) 779-5710
Signed:  Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

HM METROPOLITAN DISTRICT NO. 3
RESOLUTION TO ADOPT BUDGET

WHEREAS, the Board of Directors (the “**Board**”) of HM Metropolitan District No. 3 (the “**District**”) has appointed a budget committee to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board on or before October 15, 2023 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on December 6, 2023, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HM Metropolitan District No. 3:

1. That estimated expenditures for each fund are as follows:

General Fund:		\$ 50,000
Capital Projects Fund:		\$ 12,014,530
Total		\$ 12,064,530

2. That estimated revenues are as follows:

<u>General Fund:</u>		
From unappropriated surpluses		\$368
From fund transfers		\$0
From sources other than general property tax		\$50,004
From general property tax		\$59
Total		\$50,431

Capital Projects Fund:

From unappropriated surpluses	\$11,564,530
From fund transfers	\$0
From sources other than general property tax	\$450,000
Total	\$12,014,530

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of HM Metropolitan District No. 3 for the 2024 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$59; and

WHEREAS, the 2023 valuation for assessment of the District, as certified by the County Assessor, is \$11,770.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HM Metropolitan District No. 3:

1. That for the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 5.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$59.

2. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

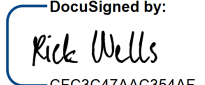
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the HM Metropolitan District No. 3 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$ 50,000
Capital Projects Fund:	<u>\$ 12,014,530</u>
Total	\$ 12,064,530

Adopted this 6th day of December, 2023.

HM METROPOLITAN DISTRICT NO. 3

By: 
Chair

Attest:


Secretary

SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE)ss.

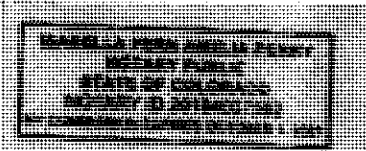
I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver; State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said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

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of I consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated November 2 A.D. 2023 and that the last publication of said notice was in the issue of said newspaper dated November 2 A.D. 2023.

I witness whereof I have hereunto set my hand this 2nd day of November A.D. 2023.

Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 2nd day of November A.D. 2023.

Notary Public



NOTICE AS TO PROPOSED 2024 BUDGETS AND AMENDMENT OF 2023 BUDGETS HM METROPOLITAN DISTRICT NOS. 1, 2, & 3 ADAMS COUNTY, COLORADO

NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-108 and 109, C.R.S., that proposed budgets have been submitted to the Boards of Directors of the HM Metropolitan District Nos. 1, 2, & 3 (the "Districts") for the ensuing year of 2024. The necessity may also arise for the amendments of the 2023 budgets of the Districts. Copies of the proposed 2024 budgets and 2023 amended budgets (if appropriate) are on file in the office of the Districts' Accountant, Clifton Larson Allen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, Colorado 80111, where same are available for public inspection. Such proposed 2024 budgets and 2023 amended budgets will be considered at a regular meeting to be held on December 6, 2023, at 2:00 p.m. via video and teleconference. The meeting will be open to the public. Any interested elector within the Districts may, at any time prior to the final adoption of the 2024 budgets or the 2023 amended budgets, inspect the 2024 budgets and the 2023 amended budgets, and file or register any objections thereto.

Members of the public are encouraged, but are not required to participate by telephone or videoconference in one of the following ways:

- 1. To attend via Teams Videoconference, see the below link:

https://teams.microsoft.com/join/19%3ameeting_NmU3NDU3ZWMTZGJhNS00YWJhLTKTOWEINjEzYjhlNmRkMTY5%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2278e91a46-bdcc-4fe5-980c-8f3dcc70755%22%7d

- 1. To attend via telephone, dial 1-720-547-5261 and enter the following additional information:

- a. Phone Conference ID: 246 629 237#

HM METROPOLITAN DISTRICT NOS. 1, 2, & 3
/s/ Matthew Urkoski
District Manager

Publication: November 2, 2023
Sentinel