

LETTER OF BUDGET TRANSMITTAL

Date: January 27, 2025

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

Attached are the 2025 budget and budget message for the HM METROPOLITAN DISTRICT NO. 1, Adams County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 4, 2024. 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. 1 hereby certify that the attached is a true and correct copy of the 2025 budget.

By: 

Matthew Urkoski, District Manager

RESOLUTION NO. 2024-12-02

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF HM METROPOLITAN
DISTRICT NO. 1, ADAMS COUNTY, COLORADO, PURSUANT TO SECTION 29-1-
108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND,
ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE
BUDGET YEAR 2025**

A. The Board of Directors of HM Metropolitan District No. 1 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body on or before October 15, 2024 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 4, 2024, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HM METROPOLITAN DISTRICT NO. 1, ADAMS COUNTY, COLORADO:

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

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

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

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

RESOLUTION APPROVED AND ADOPTED ON DECEMBER 4, 2024.

HM METROPOLITAN DISTRICT NO. 1

By: DocuSigned by:
Rick Wells
58FA86061D304E6...

President

Attest:

By: DocuSigned by:
Mark Throckmorton
91BBFFBF1C46484...

Secretary

EXHIBIT A

Budget

HM METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

**HM METROPOLITAN DISTRICT NO. 1
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 1,535,791	\$ 2,998,665	\$ 2,918,927
REVENUES			
Property taxes	6	-	-
IGA revenue District No. 2	9,287,903	4,934,761	30,120,844
IGA revenue District No. 3	3,739,211	4,770,666	7,833,423
Other revenue from cost sharing agreements	4,337,416	9,879,895	9,224,980
Interest income	75,108	124,000	85,000
Total revenues	<u>17,439,644</u>	<u>19,709,322</u>	<u>47,264,247</u>
Total funds available	<u>18,975,435</u>	<u>22,707,987</u>	<u>50,183,174</u>
EXPENDITURES			
General Fund	147,552	164,765	179,000
Capital Projects Fund	15,829,218	19,624,295	49,200,000
Total expenditures	<u>15,976,770</u>	<u>19,789,060</u>	<u>49,379,000</u>
Total expenditures and transfers out requiring appropriation	<u>15,976,770</u>	<u>19,789,060</u>	<u>49,379,000</u>
ENDING FUND BALANCES	<u>\$ 2,998,665</u>	<u>\$ 2,918,927</u>	<u>\$ 804,174</u>
EMERGENCY RESERVE	\$ 400	\$ 400	\$ 3,300
REGIONAL IMPROVEMENTS	6	6	6
TOTAL RESERVE	<u>\$ 406</u>	<u>\$ 406</u>	<u>\$ 3,306</u>

**HM METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION			
Agricultural	\$ 560	\$ 10	\$ 10
Certified Assessed Value	\$ 560	\$ 10	\$ 10
 MILL LEVY			
General	5.000	5.000	5.000
Total mill levy	5.000	5.000	5.000
 PROPERTY TAXES			
General	\$ 3	\$ -	\$ -
Levied property taxes	3	-	-
Adjustments to actual/rounding	3	-	-
Budgeted property taxes	\$ 6	\$ -	\$ -
 BUDGETED PROPERTY TAXES			
General	\$ 6	\$ -	\$ -

**HM METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 419,195	\$ 282,561	\$ 131,823
REVENUES			
Property taxes	6	-	-
Interest income	10,912	14,000	5,000
IGA revenue District No. 2	-	27	107,114
Total revenues	<u>10,918</u>	<u>14,027</u>	<u>112,114</u>
Total funds available	<u>430,113</u>	<u>296,588</u>	<u>243,937</u>
EXPENDITURES			
General and administrative			
Accounting	42,514	46,000	52,000
Auditing	11,400	13,000	14,000
Dues and membership	614	708	1,500
Insurance	5,586	5,019	7,000
District management	18,646	19,000	20,000
Legal	47,834	40,000	45,000
Election	5,914	-	5,000
Miscellaneous	168	38	500
Utilities	14,876	41,000	30,000
Contingency	-	-	4,000
Total expenditures	<u>147,552</u>	<u>164,765</u>	<u>179,000</u>
Total expenditures and transfers out requiring appropriation	<u>147,552</u>	<u>164,765</u>	<u>179,000</u>
ENDING FUND BALANCES	<u>\$ 282,561</u>	<u>\$ 131,823</u>	<u>\$ 64,937</u>
EMERGENCY RESERVE	\$ 400	\$ 400	\$ 3,300
REGIONAL IMPROVEMENTS	6	6	6
TOTAL RESERVE	<u>\$ 406</u>	<u>\$ 406</u>	<u>\$ 3,306</u>

**HM METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/7/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 1,116,596	\$ 2,716,104	\$ 2,787,104
REVENUES			
IGA revenue District No. 2	9,287,903	4,934,734	30,013,730
IGA revenue District No. 3	3,739,211	4,770,666	7,833,423
Other revenue from cost sharing agreements	4,337,416	9,879,895	9,224,980
Interest income	64,196	110,000	80,000
Total revenues	17,428,726	19,695,295	47,152,133
Total funds available	18,545,322	22,411,399	49,939,237
EXPENDITURES			
General and administrative			
Accounting	12,970	13,000	15,000
Engineering	12,329	10,000	15,000
Legal	25,367	16,000	25,000
Contingency	-	-	1,482,048
Capital Projects			
Capital outlay	15,778,552	19,585,295	47,462,952
Landscaping	-	-	200,000
Total expenditures	15,829,218	19,624,295	49,200,000
Total expenditures and transfers out requiring appropriation	15,829,218	19,624,295	49,200,000
ENDING FUND BALANCES	\$ 2,716,104	\$ 2,787,104	\$ 739,237

**HM METROPOLITAN DISTRICT NO. 1
2025 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.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$500,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

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.

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

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.

**HM METROPOLITAN DISTRICT NO. 1
2025 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (continued)

For property tax collection year 2025, SB22-238, SB23B-001, SB 24-233, and HB24B-1001 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%			

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.5%.

Other Revenue

The District anticipates revenue from various cost sharing agreements to fund the payment of infrastructure improvements.

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. Estimated expenditures related to streetscape, ponds and weeds, snow removal, and utilities were also included in the General Fund budget.

Capital Outlay

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

Debt and Leases

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

**HM METROPOLITAN DISTRICT NO. 1
2025 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

I, Mark Throckmorton, hereby certify that I am the duly appointed Secretary of the HM Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2025, duly adopted at a meeting of the Board of Directors of the HM Metropolitan District No. 1 held on December 4, 2024.

DocuSigned by:
Mark Throckmorton
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Secretary

RESOLUTION NO. 2024-12-03

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE HM METROPOLITAN DISTRICT NO. 1 LEVYING
GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE
YEAR 2024, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2025
BUDGET YEAR**

A. The Board of Directors of the HM Metropolitan District No. 1 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on December 4, 2024.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt service expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the HM Metropolitan District No. 1, Adams County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2025 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2025 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That for the purpose of meeting all contractual obligation expenses of the District during the 2025 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED ON DECEMBER 4, 2024.

HM METROPOLITAN DISTRICT NO. 1

By: 

President

Attest:

By: 

Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of _____, Colorado.

On behalf of the _____,
(taxing entity)^A

the _____,
(governing body)^B

of the _____,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ _____ assessed valuation of: _____
(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: \$ _____
(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: _____ for budget/fiscal year _____.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< _____ > mills	\$ < _____ >
SUBTOTAL FOR GENERAL OPERATING:	<input type="text"/> mills	\$ <input type="text"/>
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]	<input type="text"/> mills	\$ <input type="text"/>

Contact person: _____ Daytime phone: () _____
(print)

Signed: Jan Currell Title: _____

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.

I, Mark Throckmorton, hereby certify that I am the duly appointed Secretary of the HM Metropolitan District No. 1, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2025, duly adopted at a meeting of the Board of Directors of the HM Metropolitan District No. 1 held on December 4, 2024.

DocuSigned by:
Mark Throckmorton
91BBFFBF1C46484...
Secretary