

LETTER OF BUDGET TRANSMITTAL

Date: January 28, 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. 3, 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. 3 hereby certify that the attached is a true and correct copy of the 2025 budget.

By:



Matthew Urkoski, District Manager

HM METROPOLITAN DISTRICT NO. 3
RESOLUTION TO ADOPT 2025 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 2025 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, 2024 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 4, 2024, 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, Capital Projects, 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:	\$	55,000
Capital Projects Fund:	\$	7,903,000
Total	\$	7,958,000

2. That estimated revenues are as follows:

<u>General Fund:</u>		
From unappropriated surpluses		\$132
From fund transfers		\$55,000
From sources other than general property tax		\$4
From general property tax		\$59
Total		\$55,195

Capital Projects Fund:

From unappropriated surpluses	\$8,678,880
From fund transfers	\$0
From sources other than general property tax	\$210,000
Total	\$8,888,880

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 the District for the 2025 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 \$132; and

WHEREAS, the 2024 valuation for assessment of the District, as certified by the County Assessor, is \$11,760.

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 2025 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:	\$	55,000
Capital Projects Fund:	\$	7,903,000
Total	\$	7,958,000

Adopted this 4th day of December, 2024.

HM METROPOLITAN DISTRICT NO. 3

By: DocuSigned by:
Rick Wells
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Chair

Attest:

Signed by:
Jennifer Piwonski
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Secretary

HM METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

**HM METROPOLITAN DISTRICT NO. 3
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	\$ 16,212,649	\$ 12,895,138	\$ 8,679,012
REVENUES			
Property taxes	66	59	59
Specific ownership taxes	4	3	4
Interest income	440,959	600,000	210,000
Developer advance	12,452	-	-
Total revenues	<u>453,481</u>	<u>600,062</u>	<u>210,063</u>
TRANSFERS IN	<u>-</u>	<u>71,417</u>	<u>55,000</u>
Total funds available	<u>16,666,130</u>	<u>13,566,617</u>	<u>8,944,075</u>
EXPENDITURES			
General Fund	30,966	43,022	55,000
Capital Projects Fund	3,740,026	4,773,166	7,848,000
Total expenditures	<u>3,770,992</u>	<u>4,816,188</u>	<u>7,903,000</u>
TRANSFERS OUT	<u>-</u>	<u>71,417</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,770,992</u>	<u>4,887,605</u>	<u>7,958,000</u>
ENDING FUND BALANCES	<u>\$ 12,895,138</u>	<u>\$ 8,679,012</u>	<u>\$ 986,075</u>
EMERGENCY RESERVE	\$ 3	\$ 2	\$ 2
REGIONAL IMPROVEMENTS	69	130	192
TOTAL RESERVE	<u>\$ 72</u>	<u>\$ 132</u>	<u>\$ 194</u>

**HM METROPOLITAN DISTRICT NO. 3
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
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ASSESSED VALUATION

Agricultural	\$ 8,790	\$ 9,380	\$ 9,380
State assessed	2,780	2,390	2,380
Certified Assessed Value	\$ 11,570	\$ 11,770	\$ 11,760

MILL LEVY

General	5.000	5.000	5.000
Total mill levy	5.000	5.000	5.000

PROPERTY TAXES

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

BUDGETED PROPERTY TAXES

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

**HM METROPOLITAN DISTRICT NO. 3
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	\$ (9,881)	\$ (28,325)	\$ 132
REVENUES			
Property taxes	66	59	59
Specific ownership taxes	4	3	4
Developer advance	12,452	-	-
Total revenues	<u>12,522</u>	<u>62</u>	<u>63</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>71,417</u>	<u>55,000</u>
Total funds available	<u>2,641</u>	<u>43,154</u>	<u>55,195</u>
EXPENDITURES			
General and administrative			
Accounting	12,202	14,000	15,000
Auditing	5,700	6,500	7,500
County Treasurer's fees	1	1	1
Dues and membership	309	300	1,000
Insurance	2,810	3,221	5,000
District management	3,403	8,000	9,000
Legal	6,541	11,000	12,000
Election	-	-	5,000
Contingency	-	-	499
Total expenditures	<u>30,966</u>	<u>43,022</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>30,966</u>	<u>43,022</u>	<u>55,000</u>
ENDING FUND BALANCES	<u>\$ (28,325)</u>	<u>\$ 132</u>	<u>\$ 195</u>
EMERGENCY RESERVE	\$ 3	\$ 2	\$ 2
REGIONAL IMPROVEMENTS	69	130	192
TOTAL RESERVE	<u>\$ 72</u>	<u>\$ 132</u>	<u>\$ 194</u>

No assurance provided. See summary of significant assumptions.

**HM METROPOLITAN DISTRICT NO. 3
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	\$ 16,222,530	\$ 12,923,463	\$ 8,678,880
REVENUES			
Interest income	440,959	600,000	210,000
Total revenues	<u>440,959</u>	<u>600,000</u>	<u>210,000</u>
Total funds available	<u>16,663,489</u>	<u>13,523,463</u>	<u>8,888,880</u>
EXPENDITURES			
General and administrative			
Accounting	814	2,000	3,000
Legal	-	500	1,000
Capital Projects			
Transfers to District No. 1	3,739,212	4,770,666	7,833,423
Capital outlay	-	-	10,577
Total expenditures	<u>3,740,026</u>	<u>4,773,166</u>	<u>7,848,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>71,417</u>	<u>55,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,740,026</u>	<u>4,844,583</u>	<u>7,903,000</u>
ENDING FUND BALANCES	<u>\$ 12,923,463</u>	<u>\$ 8,678,880</u>	<u>\$ 985,880</u>

**HM METROPOLITAN DISTRICT NO. 3
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.

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

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
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%			

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 6% 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 4.5%.

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
2025 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 _____, 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)	LEVY²	REVENUE²
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: Jim Croll 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.

CERTIFICATION OF 2025 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, 2025, as adopted December 4, 2024.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of HM Metropolitan District No. 3 in Adams County, Colorado, this 4th day of December, 2024.

DocuSigned by:
Rick Wells
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Chair