

HORIZON METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2022

**HORIZON METROPOLITAN DISTRICT NO. 3
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/8/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	-	18	54
Property Taxes - ARI	-	-	1
Specific Ownership Taxes	-	314	813
Specific Ownership Taxes - ARI	-	-	22
Other Income	-	-	10,000
TIF Revenue from AURA	-	4,401	11,387
TIF Revenue from AURA - ARI	-	-	308
Total revenues	<u>-</u>	<u>4,733</u>	<u>22,585</u>
Total funds available	<u>-</u>	<u>4,733</u>	<u>22,585</u>
EXPENDITURES			
General Fund	-	4,733	8,648
Debt Service Fund	-	-	13,937
Total expenditures	<u>-</u>	<u>4,733</u>	<u>22,585</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>4,733</u>	<u>22,585</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**HORIZON METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/8/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ 53	\$ -	\$ -
Vacant land	-	112,160	282,351
	53	112,160	282,351
Adjustments	(52)	(111,712)	(281,048)
Certified Assessed Value	<u>\$ 1</u>	<u>\$ 448</u>	<u>\$ 1,303</u>
MILL LEVY			
General	0.000	40.000	11.132
ARI	0.000	0.000	1.113
Debt Service	0.000	0.000	30.000
Total mill levy	<u>0.000</u>	<u>40.000</u>	<u>42.245</u>
BUDGETED PROPERTY TAXES			
General	\$ -	\$ 18	\$ 15
ARI	-	-	1
Debt Service	-	-	39
	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 55</u>

No assurance provided. See summary of significant assumptions.

**HORIZON METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/8/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	-	18	15
Property Taxes - ARI	-	-	1
Specific Ownership Taxes	-	314	220
Specific Ownership Taxes - ARI	-	-	22
Other Income	-	-	5,000
TIF Revenue from AURA	-	4,401	3,082
TIF Revenue from AURA - ARI	-	-	308
Total revenues	-	4,733	8,648
Total funds available	-	4,733	8,648
EXPENDITURES			
General and administrative			
Contingency	-	-	5,000
City of Aurora	-	-	331
Transfer to HMD No. 1	-	4,733	3,317
Total expenditures	-	4,733	8,648
Total expenditures and transfers out requiring appropriation	-	4,733	8,648
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HORIZON METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/8/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	-	-	39
Specific Ownership Taxes	-	-	593
Other Income	-	-	5,000
TIF Revenue from AURA	-	-	8,305
Total revenues	<u>-</u>	<u>-</u>	<u>13,937</u>
Total funds available	<u>-</u>	<u>-</u>	<u>13,937</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	-	-	1
Contingency	-	-	5,000
Transfer to HMD No. 2	-	-	8,936
Total expenditures	<u>-</u>	<u>-</u>	<u>13,937</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>13,937</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**HORIZON METROPOLITAN DISTRICT NO. 3
2022 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 Arapahoe County on December 29, 2005, to provide financing for the acquisition and installation of streets and traffic signals, water, sewer, storm drainage and park and recreation facilities. The District's service area is located entirely within the City of Aurora (the "City"), in Arapahoe County, Colorado. The District was organized in conjunction with other related districts, Horizon Metropolitan District Nos. 1, 2, 4, 5, 6, 7, 8, 9 and 10. The Districts, collectively, will undertake the financing and construction of the public improvements. The Districts shall enter into one or more Intergovernmental Agreements which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the public improvements. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

On November 1, 2005, District electors approved revenue indebtedness of \$150,000,000 for street improvements, \$150,000,000 for traffic safety, \$150,000,000 for water supply system, \$150,000,000 for sanitary sewer and transmission system, \$150,000,000 for parks and recreation, \$150,000,000 for mosquito control, \$150,000,000 for fire protection system, \$150,000,000 for television relay and translation system, \$150,000,000 for public transportation system and \$5,000,000 for general operations and maintenance. The District electors also approved \$150,000,000 for refinancing of District debt, \$150,000,000 for debt associated with intergovernmental contracts and \$150,000,000 for debt associated with intergovernmental contracts associated with capital projects.

On November 4, 2008, District electors approved revenue indebtedness of \$750,000,000 for street improvements, \$750,000,000 for traffic safety, \$750,000,000 for water supply system, \$750,000,000 for sanitary sewer and transmission system, \$750,000,000 for parks and recreation, \$750,000,000 for mosquito control, \$750,000,000 for fire protection system, \$750,000,000 for television relay and translation system, \$750,000,000 for public transportation system, \$750,000,000 for solid waste disposal facilities, and \$150,000,000 for general operations and maintenance. The District electors also approved \$750,000,000 for refinancing of District debt and \$750,000,000 for debt associated with intergovernmental contracts. The election also approved an annual increase in taxes of \$150,000,000 for general operations and maintenance and \$750,000,000 for regional improvements.

The Districts' service plan limits the total debt issuance of the project to \$750,000,000. The Maximum Debt Mill Levy the District is permitted to impose is 50.000 mills for any aggregate District's Debt which exceeds fifty percent of the District's assessed valuation. The Maximum Debt Mill Levy will be adjusted for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2021, the adjusted Maximum Debt Mill Levy is 55.664 mills. For the portion of any aggregate District's Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation or rate.

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

**HORIZON METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (continued)

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

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied for collection in 2022 is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

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 7.0% of the property taxes collected by both the General Fund and the Debt Service Fund.

TIF Revenue from AURA

Pursuant to a cooperation agreement with Aurora Urban Renewal Authority ("AURA"), AURA remits the portion of revenues which it receives as a result of Tax Increment Revenues attributable to the District's current mill levy to the District.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

**HORIZON METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Intergovernmental Expenditures – Transfer to Other Districts

The District is obligated to impose a mill levy, subject to certain adjustments, and remit property taxes derived from such mill levy, and specific ownership taxes applicable to property within the District, after deducting administrative expenditures to the Operating District, District No. 1.

In the Debt Service Fund, the transfers to District No. 2 are being made, pursuant to certain pledge agreements, for the purpose of funding the debt service on bonds issued by District No. 2 for the constructions of public improvements within the boundaries of the Districts.

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.0% of fiscal year spending. Since substantially all operating funds received by the District are transferred to District No. 1, which pays for all Districts' operations and maintenance costs, an emergency reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.