



ICENOGLE SEAVER POGUE

August 1, 2025

Office of Development Assistance
City of Aurora Colorado
Attn: Jacob Cox & Cesarina Dancy
15151 East Alameda Parkway, Suite 5200
Aurora, CO 80012
Via E-mail: oda@auroragov.org

State of Colorado
Office of the State Auditor
1525 Sherman St., 7th Floor
Denver, CO 80203
(Via E-Portal)

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203
(Via E-Portal)

Arapahoe County Clerk & Recorder
5334 S. Prince St.
Littleton, CO 80120
Via E-Mail: clerk@arapahoegov.com

Re: Annual Report for Horizon Metropolitan District No. 3

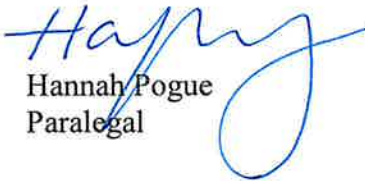
To Whom It May Concern:

Pursuant to the Service Plan enclosed please find the 2024 Annual Report for Horizon Metropolitan District No. 3.

Please contact our office with any questions regarding the Annual Report.

Sincerely,

ICENOGLE SEAVER POGUE
A Professional Corporation


Hannah Pogue
Paralegal

**ANNUAL REPORT FOR THE YEAR 2024
HORIZON METROPOLITAN DISTRICT NO. 3**

The Horizon Metropolitan District No. 3 (the “District”) hereby submits this annual report, as required pursuant to Section VIII of the First Amended and Restated Service Plan for the District, as approved by the City of Aurora (the “City”) on August 23, 2010 (the “Service Plan”).

In addition, pursuant to Section 32-1-207(3)(c), C.R.S., the District is required to submit an annual report for the preceding calendar year to the City, the Division of Local Government, the state auditor, and the Arapahoe County Clerk and Recorder. This annual report is being submitted to satisfy the reporting requirement for the year 2024.

I. SERVICE PLAN – ANNUAL REPORT REQUIREMENTS.

For the year ending December 31, 2024, the District makes the following report:

A. Changes to the District’s boundaries as of December 31 of the prior year.

There were no changes to the District’s boundaries as of December 31, 2024.

B. Intergovernmental agreements entered into by the District during the prior year.

No intergovernmental agreements were entered into by the District in 2024.

C. Copies of rules and regulations, if any, as of December 31 of the prior year.

A copy of the First Amendment to Amended and Restated Public Records Policy Regarding the Inspection of Public Records, which was adopted by the Board on November 21, 2024, is attached hereto as **Exhibit A**.

D. A summary of any litigation which involves the District public improvements as of December 31 of the prior year.

The District’s General Counsel is not aware of any litigation concerning the District’s public improvements as of December 31, 2024.

E. Status of the District’s construction of public improvements as of December 31 of the prior year.

The District did not construct any public improvements in 2024.

F. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

No facilities or improvements were constructed by the District or dedicated or accepted by the City in the year 2024.

G. Assessed valuation of the District for the current year.

The final gross assessed valuation of the District for 2024 is \$5,186,944 and the final net assessed valuation of the District for 2024 is \$9,096.

H. Current year budget, including a description of Public Improvements to be constructed in such year.

A copy of the District's 2025 budget is attached hereto as **Exhibit B**. The District does not anticipate constructing any improvements in 2025.

I. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

A copy of the District's audited financial statements for the year ending December 31, 2024 are attached hereto as **Exhibit C**.

J. Notice of any uncured of default by the District, which continue beyond a ninety (90) day period, under any debt instrument.

As of the date of submission of this 2024 Annual Report, the District is not aware of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument.

K. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

As of the date of submission of this 2024 Annual Report, the District is not aware of any inability of the District to pay its obligations as they come due in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

II. SPECIAL DISTRICT ACT (SECTION 32-1-207(3)(c), C.R.S.) ANNUAL REPORT REQUIREMENTS:

For the year ending December 31, 2024, the District makes the following report pursuant to Section 32-1-207(3)(c), C.R.S.:

A. Boundary changes made.

See Section I.A. above.

B. Intergovernmental agreements entered into or terminated with other governmental entities.

The Districts did not enter into or terminate any intergovernmental agreements during 2024.

C. Access information to obtain a copy of rules and regulations adopted by the board.

For information concerning rules and regulations adopted by the District please contact the District's Manager:

Cohere Life, Inc.
Attn: Geol Scheirman
18001 N 79th Ave C56
Glendale, AZ 85308
Phone: (720) 802-7544
Email: gscheirman@coherelife.com

D. A summary of litigation involving public improvements owned by the special district.

See Section I.D. above.

E. The status of the construction of public improvements by the special district.

See Section I.E. above.

F. A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.

See Section I.F. above.

G. The final assessed valuation of the special district as of December 31 of the reporting year.

See Section I.G. above.

H. A copy of the current year's budget.

See Section I.H. above.

I. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

See Section I.I. above.

J. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.

See Section I.J. above.

K. Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

See Section I.K. above.

EXHIBIT A

**First Amendment to Amended and Restated Public Records Policy Regarding the
Inspection of Public Records**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
HORIZON METROPOLITAN DISTRICT NOS. 1 AND 3 – 10**

A RESOLUTION ADOPTING AND APPROVING A FIRST AMENDMENT TO THE AMENDED AND RESTATED PUBLIC RECORDS POLICY REGARDING THE INSPECTION, RETENTION AND DISPOSAL OF PUBLIC RECORDS

WHEREAS, the Colorado Open Records Act (“Open Records Act”), as set forth in Section 24-72-200.1, *et seq.*, C.R.S., as amended, requires all public records of political subdivisions of the State to be open for inspection by any person at reasonable times except as otherwise provided in the Open Records Act; and

WHEREAS, on November 1, 2023, via resolution, the Boards of Directors (the “Boards”) of Horizon Metropolitan District Nos. 1 and 3 – 10 (the “Districts”) adopted an Amended and Restated Public Records Policy Regarding the Inspection, Retention and Disposal of Public Records in compliance with the Open Records Act, (the “Public Records Policy”); and

WHEREAS, the Boards desire to amend the District’s Public Records Policy to adjust certain fees imposed for copies of public records.

NOW THEREFORE, THE BOARDS OF DIRECTORS OF HORIZON METROPOLITAN DISTRICT NOS. 1 AND 3 – 10 HEREBY ADOPTS THE FOLLOWING FIRST AMENDMENT TO THE PUBLIC RECORDS POLICY:

1. Fees for Copies of Public Records. The Districts hereby amend and restate Paragraph 5.b. and Paragraph 5.c. of the Public Records Policy in their entirety as follows:

5. Fees for Copies of Public Records. The custodian shall furnish copies, printouts or photographs of public records requested for a fee as follows:

b. If, in response to a specific request, the custodian performs a manipulation of data so as to generate a record in a form not used by the Districts, an administrative fee of \$41.37 per hour shall be charged to the person or entity making the request. Such fee shall be automatically adjusted at such time as the research and retrieval fee is adjusted as set forth in paragraph 5.c. below, without further approval by the Districts, and shall be adjusted to the same amount as the research and retrieval fee. An individual or entity making a subsequent request for the same or similar records shall be charged the same fee.

c. If the amount of time required by the custodian to research and retrieve the documents necessary to fulfill a specific request exceeds one hour, including the time required to identify and segregate records that must or may not be produced, the person or entity making the request shall be charged a research and retrieval fee of \$41.37 per hour. Such fee shall be automatically adjusted, without further approval by the Districts, to the amount established by the State Director of Research of the Legislative Council from time to time. The Districts will not impose a charge for the first hour of time

expended in connection with the research and retrieval of public records. This imposition of this fee shall be effective upon the publishing of this Public Records Policy in accordance with the Open Records Act.

2. Future Amendments to Public Records Policy. The Boards may further amend the Public Records Policy from time to time as the Board deem necessary.

3. Effective Date. This Resolution shall take effect on the date and at the time of its adoption.

(Signature Page Follows)

APPROVED AND ADOPTED THIS 21ST DAY OF NOVEMBER, 2024.

HORIZON METROPOLITAN DISTRICT
NOS. 1 AND 3 – 10

Signed by:
By: David Crowder
661ASD1F9F5E4E5...
David Crowder, President

Signature Page to Second Amendment to Amended and Restated Public Records Policy

EXHIBIT B

2025 Budgets

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
HORIZON METROPOLITAN DISTRICT NO. 3
ARAPAHOE COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2025

STATE OF COLORADO)
)
COUNTY OF ARAPAHOE)ss.
)
HORIZON)
METROPOLITAN)
DISTRICT NO. 3)

The Board of Directors of Horizon Metropolitan District No. 3, Arapahoe County, Colorado, held a meeting via Microsoft Teams Thursday, November 21, 2024, at 9:15 A.M.

The following members of the Board of Directors were present:

David Crowder, President & Chairperson
Karen Voit, Vice President
Jason Rutt, Secretary
Lisa Garcia, Treasurer

Also in Attendance: Alan Pogue and Deborah Early; Icenogle Seaver Pogue, P.C.
Kenny Parrish, Wendy McFarland, Christy McCutchen, Logan Powell, and Andrew Kunkel; Pinnacle Consulting Group, Inc.
Victoria Partridge, District No. 2 Board Member.

Ms. McFarland stated that proper publication was made to allow the Board to conduct a public hearing on the District's 2025 budget. Director Crowder, Jr. opened the public hearing on the District's proposed 2025 budget. There being no public comment on the District's budget, the public hearing was closed.

Thereupon, Director Crowder, Jr. moved to adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR HORIZON METROPOLITAN DISTRICT NO. 3, ARAPAHOE COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2025, AND ENDING ON THE LAST DAY OF DECEMBER 2025.

WHEREAS, the Board of Directors of the Horizon Metropolitan District No. 3 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on November 7, 2024 in the Aurora Sentinel, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 21, 2024, and interested electors were given the opportunity to file or register any objections to said proposed budget; 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 HORIZON METROPOLITAN DISTRICT NO. 3 OF ARAPAHOE COUNTY, COLORADO:

Section 1. 2025 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2025 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2025. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of Horizon Metropolitan District No. 3 for the calendar year 2025.

Section 4. 2025 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2025 Budget year is \$461.75. That the 2024 valuation for assessment, as certified by the Arapahoe County Assessor, is \$5,186,944.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expenses of the District during the 2025 budget year, there is hereby levied a tax of 19.581 mills upon each dollar of the 2024 total valuation of assessment of all taxable property within the District.

B. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all general obligation bonds and interest approved at elections of the District during the 2025 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2024 total valuation of assessment of all taxable property within the District.

C. Levy for Contractual Obligations. That for the purposes of meeting all contractual obligations expense of the District during the 2025 budget year, there is hereby levied a tax of 31.183 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's Manager is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the 50.764 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the Horizon Metropolitan District No. 3
(taxing entity)^A
 the Board of Directors
(governing body)^B
 of the Horizon Metropolitan District No. 3
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 5,186,944 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: \$ 9,096 (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: 12/15/2024 for budget/fiscal year 2025.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

<u>PURPOSE</u> <small>(see end notes for definitions and examples)</small>	<u>LEVY²</u>	<u>REVENUE²</u>
1. General Operating Expenses ^H	19.581 mills	\$ 178.11
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	19.581 mills	\$ 178.11
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	31.183 mills	\$ 283.64
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	50.764 mills	\$ 461.75

Contact person: Amanda Castle Phone: (970) 669-3611
 Signed: *Amanda Castle* Title: District Accountant

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: Horizon MD No. 2 Limited Tax G.O. & Special Revenue Bonds, Series 2021A(3)
Title: Capital Pledge Agreement
Date: 08/11/2021
Principal Amount: N/A
Maturity Date: 12/01/2051
Levy: 30.000
Revenue: 272.88

4. Purpose of Contract: Facilitate Provisions of Services and Infrastructure
Title: Coordinating Agreement with AURA
Date: 06/15/2021
Principal Amount: N/A
Maturity Date: N/A
Levy: 1.183
Revenue: 10.76

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

Section 7. 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 8. Budget Certification. That the budget shall be certified by Director Rutt, Secretary of the District, and made a part of the public records of Horizon Metropolitan District No. 3.

The foregoing Resolution was seconded by Director Voit.

[Remainder of Page Left Blank Intentionally]

ADOPTED AND APPROVED this 21st day of November 2024.

David Crowder

David Crowder (Jan 15, 2025 18:41 MST)

David Crowder, President

ATTEST:



Jason Rutt, Secretary

STATE OF COLORADO)
)
COUNTY OF ARAPAHOE)ss.
)
HORIZON)
METROPOLITAN)
DISTRICT NO. 3)

I, Jason Rutt, Secretary to the Board of Directors of Horizon Metropolitan District No. 3, Arapahoe County, Colorado, do hereby certify that the foregoing pages constitute 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 held via Microsoft Teams on Thursday, November 21, 2024, at 9:15 A.M., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2025; 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. Further, I hereby certify that the attached budget is a true and accurate copy of the 2025 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 21st day of November 2024.



Jason Rutt, Secretary



Management Budget Report

BOARD OF DIRECTORS
HORIZON METROPOLITAN DISTRICT NO. 3

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2025, including the comparative information of the forecasted estimate for the year ending December 31, 2024 and the actual historic information for the year 2023.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

A handwritten signature in black ink, appearing to read "D. R.", is positioned above the typed name.

Pinnacle Consulting Group, Inc.
January 31, 2025

Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537
(970)669-3611 (303)333-4380
www.PCGI.com

Serving our clients and community through excellent dependable service.

HORIZON METROPOLITAN DISTRICT NO. 3				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(d)
	2023	2024	2024	2025
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Budget	Budget
Revenues				
Property Taxes	\$ 28	\$ 137	\$ 137	\$ 178
Property Tax - ARI	3	10	10	11
Property Tax - TIF	1,273	80,717	80,717	101,387
Property Tax - TIF ARI	127	5,778	5,778	6,115
Specific Ownership Taxes	828	4,925	4,925	6,261
Specific Ownership Taxes - ARI	83	347	347	378
Interest & Other	11	4,986	251	1,000
Total Revenues	\$ 2,353	\$ 96,900	\$ 92,165	\$ 115,330
Expenditures				
Payment for Services to No. 1	\$ 2,139	\$ 85,777	\$ 86,028	\$ 107,824
City of Aurora	213	6,135	6,135	6,503
Treasurer's Fees	-	2	2	3
Contingency	-	4,986	-	1,000
Total Expenditures	\$ 2,353	\$ 96,900	\$ 92,165	\$ 115,330
Revenues over/(under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -
Mill Levy				
Operating	11.275	16.581	16.581	19.581
Operating - ARI	1.065	1.187	1.187	1.181
Debt Service	53.255	30.000	30.000	30.000
Total Mill Levy	65.595	47.768	47.768	50.762
Assessed Value	\$ 18,086	\$ 8,262	\$ 8,262	\$ 9,097
Property Tax Revenue				
Operating	204	137	137	178
Operating - ARI	19	10	10	11
Debt Service	963	248	248	273
Total Property Tax Revenue	\$ 1,186	\$ 395	\$ 395	\$ 462

Modified Accrual Budgetary Basis

HORIZON METROPOLITAN DISTRICT NO. 3				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(d)
	2023	2024	2024	2025
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Budget	Budget
Revenues				
Property Taxes	\$ 73	\$ 248	\$ 248	\$ 273
Property Taxes - TIF	3,265	146,041	146,041	155,335
Specific Ownership Tax	2,124	8,911	7,850	9,593
Interest & Other	-	4,200	-	100
Total Revenues	\$ 5,463	\$ 159,400	\$ 154,139	\$ 165,301
Expenditures				
Payment for Services to No. 2	\$ 5,461	\$ 155,196	\$ 154,135	\$ 165,160
Treasurer's fees	1	4	4	41
Contingency	-	4,200	-	100
Total Expenditures	\$ 5,463	\$ 159,400	\$ 154,139	\$ 165,301
Revenues over/(under) Expenditures	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

Modified Accrual Budgetary Basis

HORIZON METROPOLITAN DISTRICT NO. 3
2025 BUDGET MESSAGE
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 May 5, 2020, the District's voters authorized revenue for indebtedness totaling to \$9,750,000,000, restating and replacing all authorization for debt approved by the District's voters at prior elections. The District's service plan limits the District's authorized indebtedness to \$750,000,000 at an interest rate not to exceed 18%. The service plan set the maximum mill levy to 50.000 mills. As of December 31, 2024, the District had not used any of the authorized indebtedness.

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. 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.

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 action. 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.

HORIZON METROPOLITAN DISTRICT NO. 3
2025 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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.

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 6.00% 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 1.50% of property tax collections.

Intergovernmental Expenditures – Transfer to Other Districts

The District is obligated to impose mill levies which will be sufficient to promptly and fully pay amounts to District No. 1. The District is required to remit property taxes derived from such mill levies, together with specific ownership taxes applicable to property within the District less County Treasurer Fees, to District No. 1. The District anticipates transferring funds to District No. 1, as shown in the General Fund budget for operations

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.

HORIZON METROPOLITAN DISTRICT NO. 3
2025 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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 3.00% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all Districts' operations and maintenance costs, the Emergency Reserve related to this District is held in Horizon Metropolitan District No. 1.

CERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: November 21, 2024

NAME OF TAX ENTITY: HORIZON METRO DISTRICT #3

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2024:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	8,262
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	5,186,944
3. <u>LESS</u> TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	5,177,848
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	9,096
5. NEW CONSTRUCTION: *	5.	\$	167,400
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2024:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	73,748,652
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:			
1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:			
HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	0
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.			

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT C

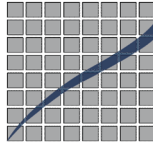
2024 Audited Financial Statements

HORIZON METROPOLITAN DISTRICT NO. 3
ARAPAHOE COUNTY, COLORADO

FINANCIAL STATEMENTS
DECEMBER 31, 2024

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Horizon Metropolitan District No. 3
Arapahoe County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Horizon Metropolitan District No. 3 ("District") as of and for the year ended December 31, 2024, 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 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, 2024, the respective changes in financial position, and the 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the 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 Responsibilities 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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 judgment, 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 with 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.

Other Matters

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 which 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 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 information, as identified in the table of contents, is presented for purposes of additional analysis 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. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BiggsKofford, P.C.

Colorado Springs, Colorado
July 10, 2025

HORIZON METROPOLITAN DISTRICT NO. 3

STATEMENT OF NET POSITION

DECEMBER 31, 2024

	Governmental Activities
<u>ASSETS</u>	
Cash and investments - restricted	\$ 1,746
Receivable from County Treasurer	1,380
Property taxes receivable	462
Due from District No. 1	2,605
Total assets	6,193
<u>LIABILITIES</u>	
Due to City of Aurora	570
Due to District No. 1	513
Due to District No. 2	4,647
Total liabilities	5,730
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred property taxes	462
Total deferred inflows of resources	462
<u>NET POSITION</u>	
Restricted for:	
Emergency reserve	250
Unrestricted	(249)
Total net position	\$ 1

The accompanying notes and independent auditor's report
should be read with these financial statements.

HORIZON METROPOLITAN DISTRICT NO. 3

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2024

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>FUNCTIONS / PROGRAMS</u>					
Primary government					
Government activities:					
General government	\$ 21,524	\$ -	\$ -	\$ -	\$ (21,524)
Interest and related costs on long-term debt	-	-	-	-	-
Total government activities	\$ 21,524	\$ -	\$ -	\$ -	(21,524)
<u>GENERAL REVENUES</u>					
Property taxes					385
Property taxes - ARI					10
Property taxes - TIF					6,728
Property taxes - TIF - ARI					171
Specific ownership taxes					13,577
Specific ownership taxes - ARI					346
Investment income					308
Total general revenues					21,525
Change in net position					1
Net position, beginning of year					-
Net position, end of year					\$ 1

The accompanying notes and independent auditor's report
should be read with these financial statements.

HORIZON METROPOLITAN DISTRICT NO. 3

BALANCE SHEETS - GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments - restricted	\$ 250	\$ 1,496	\$ 1,746
Receivable from County Treasurer	491	889	1,380
Property taxes receivable	178	284	462
Due from District No. 1	571	2,034	2,605
Due from other fund	-	228	228
Total assets	<u>\$ 1,490</u>	<u>\$ 4,931</u>	<u>\$ 6,421</u>
<u>LIABILITIES</u>			
Due to City of Aurora	\$ 570	\$ -	\$ 570
Due to District No. 1	513	-	513
Due to District No. 2	-	4,647	4,647
Due to other fund	228	-	228
Total liabilities	<u>1,311</u>	<u>4,647</u>	<u>5,958</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred property taxes	<u>178</u>	<u>284</u>	<u>462</u>
Total deferred inflows of resources	<u>178</u>	<u>284</u>	<u>462</u>
<u>FUND BALANCES</u>			
Restricted for:			
Emergency reserve	250	-	250
Unassigned:			
Unrestricted	(249)	-	(249)
Total fund balances	<u>1</u>	<u>-</u>	<u>1</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,490</u>	<u>\$ 4,931</u>	
Net position of governmental activities			<u>\$ 1</u>

The accompanying notes and independent auditor's report should be read with these financial statements.

HORIZON METROPOLITAN DISTRICT NO. 3
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Property taxes	\$ 137	\$ 248	\$ 385
Property taxes - ARI	10	-	10
Property taxes - TIF	2,394	4,334	6,728
Property taxes - TIF - ARI	171	-	171
Specific ownership taxes	4,833	8,744	13,577
Specific ownership taxes - ARI	346	-	346
Investment income	308	-	308
Total revenues	8,199	13,326	21,525
<u>EXPENDITURES</u>			
Current:			
County Treasurer fees	2	4	6
Transfers to District No. 1	7,671	-	7,671
Transfers to District No. 2	-	13,322	13,322
Transfers to City of Aurora	525	-	525
Total expenditures	8,198	13,326	21,524
Net change in fund balances	1	-	1
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ 1	\$ -	\$ 1

Amounts reported for governmental activities in the statement of activities are the same as above.

The accompanying notes and independent auditor's report
should be read with these financial statements.

HORIZON METROPOLITAN DISTRICT NO. 3

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

YEAR ENDED DECEMBER 31, 2024

	Original Budget	Original and Final Budget	Actual	Variance
<u>REVENUES</u>				
Property taxes	\$ 137	\$ 137	\$ 137	\$ -
Property taxes - ARI	10	10	10	-
Property taxes - TIF	80,717	2,394	2,394	-
Property taxes - TIF - ARI	5,778	171	171	-
Specific ownership taxes	4,925	4,833	4,833	-
Specific ownership taxes - ARI	347	346	346	-
Investment income	4,986	308	308	-
Total revenues	96,900	8,199	8,199	-
<u>EXPENDITURES</u>				
County Treasurer fees	2	2	2	-
Transfers to District No. 1	85,777	102,873	7,671	95,202
Transfers to City of Aurora	6,135	525	525	-
Contingency	4,986	-	-	-
Total expenditures	96,900	103,400	8,198	95,202
Net change in fund balance	\$ -	\$ (95,201)	1	\$ 95,202
Fund balance, beginning of year			-	
Fund balance, end of year			\$ 1	

The accompanying notes and independent auditor's report should be read with these financial statements.

HORIZON METROPOLITAN DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. DEFINITION OF REPORTING ENTITY

Horizon Metropolitan District No. 3 ("District"), a quasi-municipal corporation and political subdivision of the state of Colorado, was formed on December 29, 2005, and is governed pursuant to provisions of the Colorado Special District Act. The District was organized for the acquisition, installation, operation and maintenance 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 ("City"), in Arapahoe County, Colorado. The District was organized in conjunction with other related districts, Horizon Metropolitan District No. 1 ("District No. 1"), Horizon Metropolitan District No. 2 ("District No. 2"), and Horizon Metropolitan District Nos. 4, 5, 6, 7, 8, 9, and 10 (together with the District, District No. 1, and District No. 2, the "Districts").

The District follows 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, and potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Material interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets plus deferred outflows of resources and the liabilities plus deferred inflows of resources is reported as net position.

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 charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues and are reported as general revenues.

Measurement focus, basis of accounting, and financial statement position

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 when they are both measurable and available. Revenues are considered to be available when they are collectable 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. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

See independent auditor's report.

HORIZON METROPOLITAN DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

The District reports the following major governmental funds:

The *general fund* accounts for all financial resources of the District except those required to be accounted for in another fund.

The *debt service fund* accounts for the servicing of general long-term debt and revenues generated and received by the District that are required to be used for repayment of debt.

Budgets

In accordance with state budget law, the District holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. Total fund expenditures are appropriated. 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 amended its annual budget for the year ended December 31, 2024.

Pooled cash and investments

The District follows the practice of pooling cash and investments of funds to maximize investment earnings. Except when required by trust or other agreements, 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 balance.

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 and attaches as an enforceable lien as of January 1 of the following year. The County Treasurer collects the taxes during the ensuing calendar year. The taxes are payable by April or, at the taxpayer's election, in February and June in equal installments. Delinquent taxpayers are notified in August and sales of tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected to the District monthly.

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

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 represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. Accordingly, property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund balances and transactions

The District reports interfund balances and transfers that are representative of lending and borrowing arrangements between funds in the fund financial statements as due to other funds and due from other funds, respectively. The interfund balances have been eliminated in the government-wide statements.

Net position and fund balances

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.

See independent auditor's report.

HORIZON METROPOLITAN DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Fund balances

Fund balances for governmental funds are 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. 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:

The *nonspendable fund balance* is the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventories) or is legally or contractually required to be maintained intact.

The *restricted fund balance* is 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.

The *committed fund balance* is 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.

The *assigned fund balance* is 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.

The *unassigned fund balance* is the residual portion of fund balance that does not meet any of the criteria described above.

For fund presentation purposes, if more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

The District has evaluated subsequent events through the date of the attached independent auditor's report, the date these financial statements were available to be issued.

3. CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments - restricted	\$ 1,746
	<u>\$ 1,746</u>

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2024, are as follows:

Investments	\$ 1,746
	<u>\$ 1,746</u>

See independent auditor's report.

HORIZON METROPOLITAN DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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. The 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 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.

As of December 31, 2024, the District had no cash deposits with financial institutions.

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 below which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. The District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless otherwise 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 US and certain US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2024, the District had the following in investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	\$ <u>1,746</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust ("COLOTRUST" or "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust offers three portfolios: COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund in which each share is equal in value to \$1, offer daily liquidity. Both portfolios may invest in US Treasury securities and repurchase agreements collateralized by US Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

See independent auditor's report.

HORIZON METROPOLITAN DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

COLOTRUST EDGE, a variable net asset value ("NAV") local government investment pool, offers weekly liquidity and is managed to approximate a \$10 transactional share price. COLOTRUST EDGE may invest in US Treasury securities, repurchase agreement collateralized by US Treasury securities, certain obligations of US government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAf/S1 by FitchRatings. COLOTRUST records its investment at fair value and the District records its investment in COLOTRUST at NAV as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

4. AUTHORIZED DEBT

As of December 31, 2024, the District's debt authorized, authorization used, and amounts authorized but unissued are as follows:

	<u>Electoral Authorization</u>	<u>2010 Amended Service Plan Authorization</u>
Amount authorized	\$ 11.56 billion	\$ 750 million
Authorization used:		
Horizon Metropolitan District No. 2 Series 2021A(3) Bonds	<u>\$ 25.25 million</u>	<u>\$ 25.25 million</u>
Authorized but unissued indebtedness	<u>\$ 11.53 billion</u>	<u>\$724.75 million</u>

On May 5, 2020, the District's voters authorized the issuance of indebtedness at an interest rate not to exceed 18%. The service plan set the maximum debt mill levy at 50 mills less the number of mills to pay the unlimited mill levy debt, if any, for the portion of any aggregate District debt that exceeds 50% of the District's assessed valuation, subject to adjustment. There is no mill levy cap if the portion of any aggregate District's debt is equal to or less than 50% of the District's assessed valuation.

5. NET POSITION

The District has net position consisting of restricted and unrestricted.

Restricted net position includes balances with external restrictions 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, 2024 as follows:

Restricted net position:	
Emergency reserve (Note 9)	<u>\$ 250</u>
	<u>\$ 250</u>

The District has a deficit in unrestricted net position as of December 31, 2024. This deficit is the result of the District being responsible for the repayment of bonds issued for public improvements, of which a significant portion of these improvements was conveyed to other governmental entities and which costs were removed from the District's financial records.

See independent auditor's report.

HORIZON METROPOLITAN DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. AGREEMENTS

First Amended and Restated Intergovernmental Agreement between the District and the City of Aurora

Effective January 18, 2006, and as amended and restated on August 23, 2010, the District entered into an intergovernmental agreement with the City of Aurora in which the District agreed to dedicate public improvements to the City or other appropriate jurisdiction or owners association and to maintain all public improvements which are not accepted for operation and maintenance by the City or other public entity.

Facilities, Funding, Construction, and Operation Agreement

Effective November 30, 2017, and as amended August 6, 2020, the District, District No. 1, and District No. 2 entered into the Facilities Funding, Construction, and Operation Agreement ("FFCO"). The FFCO establishes the District No. 1's responsibility, as the operating district, for constructing, designing, financing, and operating the public improvements that benefit the District, District No. 1, and District No. 2, and establishes the District's and District No. 2's obligations, as the taxing districts, to pay for the services and benefits of the public improvements received from District No. 1. The FFCO further provides that District No. 1 will own, operate, maintain, finance, and construct certain public improvements, and the District, District No. 1, and District No. 2 will contribute to the costs of construction, operation, management, and maintenance of the public improvements. District No. 1 will also provide for the operation, maintenance, and administrative services of the District, District No. 1 and District No. 2.

The intergovernmental revenues are transferred from the District and District No. 2 to District No. 1. District No. 1 will coordinate the payment of administrative expenditures for these districts as well as District No. 1's own administrative expenditures.

The Urban Renewal Plan

All of the property within the boundaries of the Districts is subject to the Horizon Uptown Urban Renewal Plan ("Urban Renewal Plan"). The Urban Renewal Plan specifies, for the purposes of the Urban Renewal Law, that the Horizon Uptown Urban Renewal Area encompasses all of Horizon Uptown (a larger mixed-use development that includes the Districts) ("Urban Renewal Area"). Until the expiration of the tax increment financing ("TIF"), which was authorized on March 8, 2010, pursuant to the Urban Renewal Plan, all property taxes resulting from imposition of ad valorem property taxes on the assessed valuation of all taxable property in the Urban Renewal Area (which includes all of property within the boundaries of the Districts) in excess of the base assessed valuation (incremental assessed valuation) are payable to the Aurora Urban Renewal Authority ("AURA") pursuant to the Urban Renewal Plan and the Urban Renewal Law.

Cooperation Agreement

Effective June 15, 2021, the District, District Nos. 1-2, and Horizon Metropolitan Districts Nos. 4 – 6 entered into a Cooperation Agreement with the Aurora Urban Renewal Authority ("AURA"). Per the Cooperation Agreement, in consideration of the Districts providing public improvements and services to the property in the service plan and Urban Renewal Plan, AURA agreed that the portion of revenues it receives as a result of tax increment revenues attributable to the Districts' current and future levy of ad valorem taxes within the Urban Renewal Plan will be paid to the Districts within 15 days of receipt. The District records tax increment revenues based upon allocations and calculations provided by AURA.

Facilities fees

Effective January 19, 2021, and as amended on June 14, 2021, the District and District No. 1 adopted a facilities fee resolution where District No. 1 imposes and collects facilities fees which are due and payable on or before the date of issuance of a building permit. The fees are \$1,200 per single family detached or attached residential unit, \$1,000 per multi-family residential unit, and \$0.50 per gross square foot of interior space intended for nonresidential use as defined.

See independent auditor's report.

HORIZON METROPOLITAN DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Capital Pledge Agreement

To provide for the payment of District No. 2's Series 2021A(3) Bonds, the District entered into a capital pledge agreement with District No. 2 and the trustee of the bonds dated August 11, 2021. Under this agreement, District No. 2 is to receive all of the District's senior capital revenue and agrees to remit the senior capital revenue to the trustee of the bonds as soon as practicable upon receipt in accordance with the terms of the Series 2021A(3) Bonds indenture of trust. District No. 2 should apply such revenue, together with all other pledged revenue in its possession, to the payment of the principal, premium if any, and interest on the bonds due in accordance with the terms of the Series 2021A(3) Bonds indenture. The capital pledge agreement defines senior capital revenue as the sum of the following: (a) the ad valorem property taxes derived from imposition of the District's senior required mill levy, net of any fees and collection costs of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the county, which revenues include: (i) the senior pass-through tax revenue received by or on behalf of the District from AURA pursuant to the cooperation agreement, and (ii) the property tax revenue allocable to the District's base assessed valuation received directly from the County Treasurer; and (b) the specific ownership tax revenue allocable to the District's senior required mill levy.

7. RELATED PARTIES

The prior developer of the property within the District was LendLease Horizon Holdings, LLC and the new developer within the District is Horizon Uptown (Denver) SPV, LLC. The members of the board of directors are officers, employees, or associated with the developers and may have conflicts of interest in dealing with the District.

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 ("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 any of the past three fiscal years.

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.

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 within the state of Colorado.

Spending and revenue limits are determined based on the prior 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. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues. On May 5, 2020, the District's voters approved a ballot issue allowing the District to retain all revenues.

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.

District management believes the District 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 likely require judicial interpretation.

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See independent auditor's report.

SUPPLEMENTARY INFORMATION

HORIZON METROPOLITAN DISTRICT NO. 3

DEBT SERVICE FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

YEAR ENDED DECEMBER 31, 2024

	<u>Original Budget</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>				
Property taxes	\$ 248	\$ 248	\$ 248	\$ -
Property taxes - TIF	146,041	4,334	4,334	-
Specific ownership taxes	8,911	8,744	8,744	-
Other revenue	4,200	-	-	-
Total revenues	<u>159,400</u>	<u>13,326</u>	<u>13,326</u>	<u>-</u>
<u>EXPENDITURES</u>				
County Treasurer fees	4	4	4	-
Transfers to District No. 2	155,196	174,060	13,322	160,738
Contingency	4,200	-	-	-
Total expenditures	<u>159,400</u>	<u>174,064</u>	<u>13,326</u>	<u>160,738</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (160,738)</u>	<u>-</u>	<u>\$ 160,738</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

The accompanying notes and independent auditor's report should be read with these financial statements.