

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2025

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

Attached are the 2025 budget and budget message for THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3, Adams County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 21, 2024. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP
Attn: Denise Denslow, District Manager
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710
Denise.denslow@claconnect.com

I, Denise Denslow, District Manager of The Aurora Highlands Metropolitan District No. 3 hereby certify that the attached is a true and correct copy of the 2025 budget.

By: 

Denise Denslow, District Manager

THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3

RESOLUTION TO ADOPT 2025 BUDGET

WHEREAS, the Board of Directors (the “**Board**”) of The Aurora Highlands 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 November 21, 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, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District; and

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

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

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

General Fund:	\$	353
Total	\$	353

2. That estimated revenues are as follows:

<u>General Fund:</u>		
From unappropriated surpluses		\$0
From fund transfers		\$0
From sources other than general property tax		\$114
From general property tax		\$237
From ARI Mill Levy property tax		\$2
Total		\$353

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 \$237; and

WHEREAS, the amount of excess property taxes necessary to balance the budget for general operating expenses (ARI Mill Levy) is \$2; and

WHEREAS, the 2024 valuation for assessment of the District, as certified by the County Assessor, is \$3,080.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands 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 76.896 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$3,080.

2. That for the purpose of meeting all general operating expenses (ARI Mill Levy) of the District during the 2024 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 0.492 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$2.

3. 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

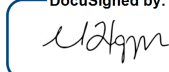
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Aurora Highlands 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:

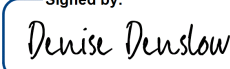
General Fund:		\$	353
	Total	\$	353

Adopted this 21st day of November, 2024.

THE AURORA HIGHLANDS METROPOLITAN
DISTRICT NO. 3

By:  DocuSigned by:
45E4943B33D44F2...
Chair

Attest:


 Signed by:
77517AF6E925439...
Secretary

CERTIFICATION OF BUDGET

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 The Aurora Highlands Metropolitan District No. 3, for the budget year ending December 31, 2025, as adopted on November 21, 2024.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of The Aurora Highlands Metropolitan District No. 3, Adams County, Colorado, this 21st day of November, 2024.

DocuSigned by:

45E4943B33D44F2...
Chair

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

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

1/28/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	3	3	253
ARI - Aurora Regional Improvement Tax	-	-	2
Specific ownership taxes	-	1	15
Other revenue	-	-	100
Total revenues	3	4	370
Total funds available	3	4	370
EXPENDITURES			
General and administrative			
County Treasurer's Fee	-	-	4
Contingency	-	-	100
Intergovernmental Expenditures	3	4	266
Operations and maintenance			
Total expenditures	3	4	370
Total expenditures and transfers out requiring appropriation	3	4	370
ENDING FUND BALANCES	\$ -	\$ -	\$ -

THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/28/25

ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
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ASSESSED VALUATION

Agricultural	40	40	3,290
Vacant land	-	130	-
	40	170	3,290
Certified Assessed Value	\$ 40	\$ 170	\$ 3,290

MILL LEVY

General	77.760	73.796	76.893
ARI	0.726	0.271	0.492
Total mill levy	78.486	74.067	77.385

PROPERTY TAXES

General	\$ 3	\$ 13	\$ 253
ARI	-	-	2
Levied property taxes	3	13	255
Budgeted property taxes	\$ 3	\$ 13	\$ 255

BUDGETED PROPERTY TAXES

General	\$ 3	\$ 13	\$ 253
ARI	-	-	2
	\$ 3	\$ 13	\$ 255

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Aurora Highlands Metropolitan District No. 3 (“District”) (formerly known as Green Valley Ranch East Metropolitan District No. 4) was organized by Court Order dated November 15, 2004, to provide financing for the construction and installation of public improvements, including streets, traffic safety, water, sanitary sewer, park and recreation, public transportation, mosquito control, fire protection, and television relay improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District’s service plan does not authorize the District to provide fire protection or television relay services unless the District enters into an intergovernmental agreement with the City of Aurora (City). The District was formed in conjunction with seven other metropolitan districts: Aerotropolis Area Coordinating Metropolitan District (“AACMD”) (formerly known as Green Valley Ranch East Metropolitan District No. 1), The Aurora Highlands Metropolitan District Nos. 1 and 2 (“TAH Nos. 1-2”) (formerly known as Green Valley Ranch East Metropolitan District Nos. 2 and 3), Green Valley Aurora Metropolitan District No. 1 (“GVA No. 1”) (formerly known as Green Valley Ranch East Metropolitan District No. 5), and Green Valley Ranch East Metropolitan District Nos. 6-8 (collectively the “Districts”). It is anticipated that the Districts will enter into an intergovernmental agreement which shall govern the relationships between and among the Districts with respect to the financing, construction, and operation of the regional public improvements. The District’s service area is located in Adams County, Colorado, entirely within the City. The Court Order granting the District’s name change to The Aurora Highlands Metropolitan District No. 3 was recorded on August 16, 2017.

On November 2, 2004, the District voters approved a mill levy increase to generate property taxes of up to \$5,000,000 annually to pay, in part, the District’s general cost of operations and maintenance. The mill levy is on all taxable property within the District for collection in 2005 and each year thereafter. Furthermore, the voters authorized the District to collect and expend levied taxes and any other income of the District without regard to any limitations imposed by TABOR. The total debt authorized in 2004 for all services and improvements was \$2,405,000,000. On November 8, 2016, the District voters approved a mill levy increase of up to \$4,000,000,000 annually to pay, in part, the District’s general costs of operations and maintenance. The total debt authorized in 2016 for all services and improvements was \$52,000,000,000. The District’s current service plan limits the total debt issuance to \$4,000,000,000, with a maximum debt mill levy of 50.000 mills, which can be adjusted for changes in the methods of calculating assessed valuation after January 1, 2006.

The District has entered into an intergovernmental agreement with the City detailing the covenants and mutual agreements the District will follow as regards to the financing and construction of the public improvements, and the repayment of the associated debt.

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

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (Continued)

AACMD, the City of Aurora and Adams County have established the Aerotropolis Regional Transportation Authority (“ARTA”), pursuant to an intergovernmental agreement entered into on February 27, 2018, under the authority of the Regional Transportation Authority Law, Section 43-4-601, *et seq.*, C.R.S., in order to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements. Beginning in 2019, ARTA will impose an ARTA Mill Levy on the District. The District will deposit revenues from the ARTA Mill Levy with AACMD to provide for financing of the regional improvements through ARTA. If the ARTA Mill Levy in any given year is less than 5 mills, the District will impose an Aurora Regional Improvements (“ARI”) Mill Levy and will deposit the ARI Mill Levy revenues with AACMD to be spent only pursuant to a Regional Intergovernmental Improvements Agreement.

On November 21, 2019, the ATEC Districts, AACMD and The Aurora Highlands Metropolitan District Nos. 1-3 (collectively, the “CAB Districts”) formed The Aurora Highlands Community Authority Board (“CAB”) pursuant to intergovernmental agreement to govern the relationships between and among the CAB Districts with respect to the financing, construction, and operation of public improvements within their combined service area. On April 27, 2022, the CAB Districts approved the addition of The Aurora Highlands Metropolitan District Nos. 4-6 to the CAB. It is anticipated that one or more of the CAB Districts may enter into additional intergovernmental agreements concerning the financing, construction, and operations of public improvements benefiting the CAB Districts and their residents and owners.

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.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

For property tax collection year 2025, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

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

Property Taxes ARI

ARTA imposes a mill levy of 5.000 mills for payment of the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements as contemplated by ARTA (see “Services Provided” above). The District has agreed to levy an additional 0.492 mills due to a change in calculating the residential assessed valuation.

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.

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.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative Expenditures

The District is a member of the CAB. The CAB will provide all the administrative and operating expenditures, which include the services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, and meeting expenses.

Intergovernmental Transfer CAB

On June 30, 2020, the CAB and the CAB Districts entered into the Mill Levy Policy Agreement, which was amended on December 22, 2021. Pursuant to the Amended and Restated Mill Levy Allocation Policy Agreement, the District agrees to ensure that the mill levies determined by the CAB each year are imposed and transferred to the CAB in accordance with the Revenue Pledged Agreement (described below).

On December 22, 2021, the District entered into the Revenue Pledge Agreement (Pledged Agreement) with the CAB as a part of the 2021 Series A and 2021 Series B Bond issuances. Per the Pledge Agreement, the District agrees to pay such portion of their operations and financing costs as may be funded with the District's Pledged Revenue and Subordinate Pledged Revenue to the extent available to the Districts pursuant to the provisions of the Pledged Agreement and the Amended and Restated Mill Levy Allocation Policy Agreement.

Intergovernmental Transfer ARTA

Per the Intergovernmental Agreement Regarding Imposition, Collection and Transfer of ARI Mill Levy, AACMD requires that the District transfer all revenues derived from ARI Mill Levy to ARTA within sixty (60) days of the District's receipt.

Debt and Leases

The District has no outstanding debt. Additionally, the District has no operating or capital leases.

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NO. 3
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since the District has no TABOR eligible revenues, no Emergency Reserve has been provided.

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

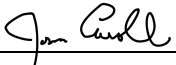
of the _____,
(local government)^C

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:  _____ 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.

**NOTICE AS TO PROPOSED 2025 BUDGETS
AND AMENDMENT OF 2024 BUDGETS**

**THE AURORA HIGHLANDS METROPOLITAN DISTRICT NOS. 1, 2 AND 3
ADAMS COUNTY, COLORADO**

NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-108 and 109, C.R.S., that proposed budgets have been submitted to the Boards of Directors of The Aurora Highlands Metropolitan District Nos. 1, 2 and 3 (the “**Districts**”) for the ensuing year of 2025. The necessity may also arise for the amendments of the 2024 budgets of the Districts. Copies of the proposed 2025 budgets and 2024 amended budgets (if necessary) are on file in the office of the Districts’ Accountant, CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, Colorado 80111, where same are available for public inspection. Such proposed 2025 budgets and 2024 amended budgets will be considered at a special meeting to be held on November 21, 2024 at 1:00 p.m. via video and/or telephone conference (Zoom). Any interested elector within the Districts may, at any time prior to the final adoption of the 2025 budgets or the 2024 amended budgets, if necessary, inspect the 2025 budgets and the 2024 amended budgets, if necessary, and file or register any objections thereto.

Members of the public are encouraged to participate by telephone or videoconference in one of the following ways:

1. **To attend via Zoom Videoconference, see the below link:**

<https://us02web.zoom.us/j/83927842723?pwd=NXA3bjc3VVVJ2R2RZQjJyWXhMbVZlUT09>

2. **To attend via telephone, dial 1-719-359-4580 and enter the following additional information:**

- a. **Meeting ID: 839 2784 2723**
- b. **Passcode: 979737**

**THE AURORA HIGHLANDS
METROPOLITAN DISTRICT NOS. 1, 2
AND 3**

/s/ Denise Denslow

District Manager

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