

LETTER OF BUDGET TRANSMITTAL


Date: February 10, 2020  
To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2020 budget and budget message for HORIZON METROPOLITAN DISTRICT NO. 3 in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on February 6, 2020. If there are any questions on the budget, please contact:

Bob Blodgett, District Manager  
CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Tel.: (303) 779-4525  
Fax: (303) 773-2050

I, Bob Blodgett, as District Manager of the Horizon Metropolitan District No. 3, hereby certify that the attached is a true and correct copy of the 2020 budget.

By: \_\_\_\_\_



RESOLUTION NO. 2020-02--03

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY  
RESOLUTION OF THE BOARD OF DIRECTORS OF

HORIZON METROPOLITAN DISTRICT NO. 3, ARAPAHOE COUNTY, COLORADO,  
PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND  
REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING  
SUMS OF MONEY FOR THE BUDGET YEAR 2020

- A. The Board of Directors of Horizon Metropolitan District No. 3 (the "District") has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.
- B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body for its consideration.
- C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on February 6, 2020, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.
- D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District.
- E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.
- F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.
- G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
HORIZON METROPOLITAN DISTRICT NO. 3, ARAPAHOE COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.
2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

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

[SIGNATURE PAGE FOLLOWS]

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

RESOLUTION APPROVED AND ADOPTED ON FEBRUARY 6, 2020.

HORIZON METROPOLITAN DISTRICT  
NO. 3

By: Yakub Voh  
President

Attest:

By: Christi G. Hill  
Secretary

EXHIBIT A

Budget



CliftonLarsonAllen

CliftonLarsonAllen LLP  
CLAconnect.com

## Accountant's Compilation Report

Board of Directors  
Horizon Metropolitan District No. 3

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Horizon Metropolitan District No. 3 for the year ended December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Horizon Metropolitan District No. 3.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 29, 2020



An independent member of Nexia International

HORIZON METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Interest income	-	-	-
Developer advance	-	-	-
Facilities fees	-	-	-
Reimbursed expenditures	-	-	-
Other income	-	-	-
Intergovernmental revenues	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General and administrative			
Accounting	-	-	-
Auditing	-	-	-
Directors' fees	-	-	-
Dues and licenses	-	-	-
Insurance and bonds	-	-	-
District management	-	-	-
Legal services	-	-	-
Miscellaneous	-	-	-
Organization costs	-	-	-
Banking fees	-	-	-
Payroll taxes	-	-	-
Election expense	-	-	-
Repay developer advance	-	-	-
Contingency	-	-	-
Intergovernmental expenditures	-	-	-
Operations and maintenance			
Repairs and maintenance	-	-	-
Engineering	-	-	-
Landscape maintenance	-	-	-
Drainage maintenance	-	-	-
Fence and sign maintenance	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**HORIZON METROPOLITAN DISTRICT NO. 3**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/29/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 55	\$ 55	\$ 53
	55	55	53
Adjustments	-	-	(52)
Certified Assessed Value	\$ 55	\$ 55	\$ 1
 <b>MILL LEVY</b>			
Total mill levy	0.000	0.000	0.000
 <b>BUDGETED PROPERTY TAXES</b>			
	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.



**HORIZON METROPOLITAN DISTRICT NO. 3  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Arapahoe County on December 29, 2005, to provide financing for the acquisition and installation of streets and traffic signals, water, sewer, storm drainage and park and recreation facilities. The District's service area is located entirely within the City of Aurora (the "City"), in Arapahoe County, Colorado. The District was organized in conjunction with other related districts, Horizon Metropolitan District Nos. 1, 2, 4, 5, 6, 7, 8, 9 and 10. The Districts, collectively, will undertake the financing and construction of the public improvements. The Districts shall enter into one or more Intergovernmental Agreements which shall govern the relationships between and among the Districts with respect to the financing, construction and operation of the public improvements. The District will establish a mechanism whereby any one or more of the Districts may separately or cooperatively fund, construct, install and operate the improvements.

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

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

The Districts' service plan limits the total debt issuance of the project to \$750,000,000. The Maximum Debt Mill Levy the District is permitted to impose is 50.000 mills for any aggregate District's Debt which exceeds fifty percent of the District's assessed valuation. The Maximum Debt Mill Levy will be adjusted for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2019, the adjusted Maximum Debt Mill Levy is 55.663 mills. For the portion of any aggregate District's Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation or rate.

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

**HORIZON METROPOLITAN DISTRICT NO. 3  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided (continued)**

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

**Revenues**

**Developer Advance**

Developer advances are expected to fund a portion of general fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to issue bonds to reimburse the Developer.

**Expenditures**

**General and Administrative Expenditures**

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as management, legal, accounting, engineering, insurance and other administrative expenses.

**Debt and Leases**

The District has no operating or capital leases.

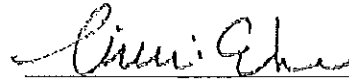
**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are from Developer advances, an Emergency Reserve is not reflected in the District's Budget.

**This information is an integral part of the accompanying budget.**

I, Nikki Eabele, hereby certify that I am the duly appointed Secretary of the Horizon Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2020, duly adopted at a meeting of the Board of Directors of the Horizon Metropolitan District No. 3 held on February 6, 2020.



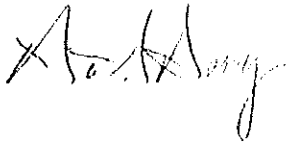
Secretary

SENTINEL  
PROOF OF PUBLICATION

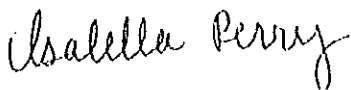
STATE OF COLORADO  
COUNTY OF ARAPAHOE Jss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the County of Arapahoe, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Arapahoe for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 consecutive insertion; and that the first publication of said notice was in the issue of said newspaper dated January 30 A.D. 2020 and that the last publication of said notice was in the issue of said newspaper dated January 30 A.D. 2020.

I witness whereof I have hereunto set my hand this 30th day of January A.D. 2020



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 30th day of January A.D. 2020.



Notary Public

Isabella Perry  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID# 20194037562  
MY COMMISSION EXPIRES 10/1/2023

NOTICE AS TO PROPOSED BUDGET  
HORIZON METROPOLITAN  
DISTRICT NO. 3  
ARAPAHOE COUNTY, COLORADO

NOTICE IS HEREBY GIVEN, pursuant to Section 29-1-103, C.R.S., that a proposed budget has been submitted to the Board of Directors of the Horizon Metropolitan District No. 3 (the "District") for the ensuing year of 2020. A copy of each proposed budget has been filed in the office of the accountant for the District, CliftonLarsonAllen LLP, 6390 E. Crescent Parkway, Suite 300, Greenwood Village, Colorado 80111, where same is open for public inspection. Such proposed budget will be considered at a special meeting to be held at 9:00 a.m., on Thursday, February 6, 2020, at the offices of CliftonLarsonAllen LLP, 6390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111. Any interested elector within the District may, at any time prior to the final adoption of the budget, inspect the budget and file or register his or her objections thereto.

HORIZON METROPOLITAN  
DISTRICT NO. 3

By: /s/ Megan M. Becher  
Attorney for the District

Publication: January 30, 2020  
Sentinel