

ANNUAL INFORMATION REPORT
FOR THE YEAR 2023
HM METROPOLITAN DISTRICT NO. 1

As required by Section 32-1-207(3)(c), C.R.S. and pursuant to Section VIII of the Service Plan for HM Metropolitan District No. 1 (the “District”) approved by the City of Aurora, Colorado (the “City”) on August 5, 2019, the following report of the District’s activities from January 1, 2023 to December 31, 2023 is hereby submitted.

1. **Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year:**

No boundary changes were made or proposed during the reporting period.

2. **Intergovernmental Agreements with other governmental entities, either entered into, proposed, or terminated as of December 31 of the prior year:**

The District entered into the below Intergovernmental Agreements with other governmental entities during the reporting period:

First Amendment to Amended and Restated Intergovernmental Agreement Regarding Cost Sharing of the Extension of Denali Street (60th Avenue to 66th Avenue): On February 17, 2023, the District, Aurora High Point at DIA Metropolitan District and Colorado International Center Metropolitan District No. 7 entered into a First Amendment to Amended and Restated Intergovernmental Agreement Regarding Cost Sharing of the Extension of Denali Street (60th Avenue to 66th Avenue) regarding coordination of construction of the Denali Street Improvements – Phase I.

First Amendment to Cost Sharing and Reimbursement Agreement: On March 8, 2023, the District and Velocity Metropolitan District No. 1 entered into a First Amendment to Cost Sharing and Reimbursement Agreement to address the construction and installation of the concrete box culverts at Second Creek and Gopher Gulch.

Second Amendment to Cost Sharing and Reimbursement Agreement: On June 1, 2023, the District and Velocity Metropolitan District No. 1 entered into a Second Amendment to Cost Sharing and Reimbursement Agreement to address the financing and construction of Harvest Road.

Third Amendment to Cost Sharing and Reimbursement Agreement: On November 7, 2023, the District and Velocity Metropolitan District No. 1 entered into a Third Amendment to Cost Sharing and Reimbursement Agreement to address the financing and construction of Harvest Road.

First Amendment to Cost Sharing and Reimbursement Agreement: On June 29, 2023, the District and Windler Public Improvement Authority entered into a First

Amendment to Cost Sharing and Reimbursement Agreement to set forth the terms and conditions pursuant to which the District and Windler Public Improvement Authority will share in the cost of the construction and installation of 56th Avenue from E-470 on the west to Harvest Road on the east.

Overlap Area Consent Agreement Regarding Harvest Road between 56th and 64th Avenue: The District and East Cherry Creek Valley Water and Sanitation District entered into this Agreement on April 13, 2023.

Overlap Area Consent Agreement Regarding 56th Avenue: The District and East Cherry Creek Valley Water and Sanitation District entered into this Agreement on November 2, 2023.

Master License Agreement (M.L.A. 23-100): The District and the City entered into this Agreement on November 27, 2023.

68th Avenue Embankment and Handrail Maintenance Intergovernmental Agreement: The District approved this Agreement with the City, acting by and through its Utility Enterprise, on December 6, 2023.

68th Avenue Embankment and Handrail Maintenance Intergovernmental Agreement: The District approved this Agreement with East Cherry Creek Valley Water and Sanitation District on December 6, 2023.

Eighth Amendment to ARTA Establishment Agreement: The District entered into the Eighth Amendment to ARTA Establishment Agreement by and among the Aurora Regional Transportation Authority, HM Metropolitan District Nos. 3, 4, 5, 6, 7, 8 and 9; SLC Metropolitan District Nos. 1, 2, 3 and 4; Fitzsimons Village Metropolitan District Nos. 1, 2 and 3; Harvest Crossing Metropolitan District Nos. 1, 2, 3, and 4; Sagebrush Farm Metropolitan District Nos. 1, 2, 3, 4, 5 and 6; Abilene Station Metropolitan District Nos. 1 and 2; Park70 Metropolitan District; EastPark70 Metropolitan District; ACC Metropolitan District; Waterstone Metropolitan District Nos. 1 and 2; Bristol Metropolitan District; Aurora High Point at DIA Metropolitan District; Colorado International Center Metropolitan District Nos. 3, 4 and 5; East Bend Metropolitan District; Sky Dance Metropolitan District Nos. 1 and 2; TBC Metropolitan District; Powhaton Road Metropolitan District Nos. 8, 9, 10 and 11; MJC Metropolitan District; and Tollgate Creek Commons Metropolitan District Nos. 1 and 2, effective September 27, 2022.

3. **Copies of the District’s rules and regulations, if any as of December 31 of the prior year / Access information to obtain a copy of rules and regulation adopted:**

The District has not adopted any rules and regulations as of December 31, 2023. In the event the District adopts rules and regulations in the future, such documents may be accessed at the offices of the District Manager, CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111, 303-779-5710, or on the District’s website at <https://hmmetrodistricts.com>.

4. **A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year:**

To our knowledge, there is no litigation involving the District’s public improvements.

5. **Status of the District’s construction of the Public Improvements as of December 31 of the prior year:**

- Construction of Second Creek drainage improvements and regional trail were completed.
- Construction of Second Creek 30-inch diameter regional sanitary sewer was completed.
- Construction of 60th Avenue from cul de sac between west of Denali Street to Harvest Road was completed (water quality pond certification and landscaping).
- Construction of Denali Street from 66th Avenue to 68th Avenue was completed.
- Construction of concrete box culvert at the Second Creek crossing of 68th Avenue was completed.
- Construction of concrete box culvert at the Second Creek crossing of Harvest Road was completed.
- Construction of 56th Avenue from E-470 to Harvest Road was started.
- Construction of Harvest Road from 56th Avenue to 64th Avenue was started.

6. **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:**

Second Creek drainage improvements from 60th Avenue to 68th Avenue were accepted by the City (Tracts A and B); however, these improvements were not conveyed to the City because the District will maintain ownership of the improvements. All other recently constructed infrastructure improvements funded by the District were in the 1-year warranty during the reporting period for 2023 and conveyance to the City will begin in 2024.

7. **The assessed valuation of the District for the current year:**

A copy of the 2023 certification of assessed valuation from Adams County, Colorado is attached hereto as **Exhibit A**.

8. **Current year's budget including a description of the Public Improvements to be constructed in such year:**

A copy of the 2024 Budget is attached hereto as **Exhibit B**.

9. **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:**

The District's 2023 Audit for the current report year (2023) is still in process, and the District has requested from the State Auditor an extension of time to file the 2023 Audit. A copy of the 2023 Audit will be provided upon completion.

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

To our knowledge, there are no uncured events of default by the District continuing beyond a ninety (90) day period.

11. **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.**

To our knowledge, the District is able to pay its obligations as they come due.

EXHIBIT A
2023 Assessed Valuation

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **483 - HM METRO DISTRICT 1**

IN ADAMS COUNTY ON 12/11/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (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 2023 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$560
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$10
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$10
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$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.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
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.):	\$0.00

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

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

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$28
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(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.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, 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:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** 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 f(3). C.R.S.	

EXHIBIT B
2024 Budget

HM METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**HM METROPOLITAN DISTRICT NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,132,752	\$ 1,535,791	\$ 2,871,797
REVENUES			
Property taxes	-	6	-
Transfers from District No. 2	17,437,774	12,000,000	22,200,028
Transfers from District No. 3	7,510,389	5,000,000	12,000,000
Other revenue	908,716	3,500,000	2,768,000
Interest income	-	50,000	92,000
Developer contribution	47,603	-	-
Developer advance	44,000	-	-
Total revenues	<u>25,948,482</u>	<u>20,550,006</u>	<u>37,060,028</u>
Total funds available	<u>27,081,234</u>	<u>22,085,797</u>	<u>39,931,825</u>
EXPENDITURES			
General Fund	115,124	150,000	165,000
Capital Projects Fund	25,430,319	19,064,000	38,883,000
Total expenditures	<u>25,545,443</u>	<u>19,214,000</u>	<u>39,048,000</u>
Total expenditures and transfers out requiring appropriation	<u>25,545,443</u>	<u>19,214,000</u>	<u>39,048,000</u>
ENDING FUND BALANCES	<u>\$ 1,535,791</u>	<u>\$ 2,871,797</u>	<u>\$ 883,825</u>
EMERGENCY RESERVE	\$ -	\$ 300	\$ 300
REGIONAL IMPROVEMENTS	-	6	6
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 306</u>	<u>\$ 306</u>

**HM METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Agricultural	\$ 10	\$ 560	\$ 10
Certified Assessed Value	\$ 10	\$ 560	\$ 10
 MILL LEVY			
General	0.000	5.000	5.000
Total mill levy	0.000	5.000	5.000
 PROPERTY TAXES			
General	\$ -	\$ 3	\$ -
Levied property taxes	-	3	-
Adjustments to actual/rounding	-	3	-
Budgeted property taxes	\$ -	\$ 6	\$ -
 BUDGETED PROPERTY TAXES			
General	\$ -	\$ 6	\$ -

**HM METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 490,319	\$ 419,195	\$ 279,201
REVENUES			
Property taxes	-	6	-
Interest income	-	10,000	10,000
Transfers from District No. 2	-	-	28
Developer advance	44,000	-	-
Total revenues	<u>44,000</u>	<u>10,006</u>	<u>10,028</u>
Total funds available	<u>534,319</u>	<u>429,201</u>	<u>289,229</u>
EXPENDITURES			
General and administrative			
Accounting	39,948	49,000	54,000
Auditing	10,800	11,400	12,000
Dues and membership	961	614	1,500
Insurance	7,578	5,820	7,500
District management	24,586	18,000	20,000
Legal	26,819	46,000	48,000
Election	4,379	5,618	-
Miscellaneous	53	-	500
Utilities	-	9,000	15,000
Contingency	-	4,548	6,500
Total expenditures	<u>115,124</u>	<u>150,000</u>	<u>165,000</u>
Total expenditures and transfers out requiring appropriation	<u>115,124</u>	<u>150,000</u>	<u>165,000</u>
ENDING FUND BALANCES	<u>\$ 419,195</u>	<u>\$ 279,201</u>	<u>\$ 124,229</u>
EMERGENCY RESERVE	\$ -	\$ 300	\$ 300
REGIONAL IMPROVEMENTS	-	6	6
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 306</u>	<u>\$ 306</u>

No assurance provided. See summary of significant assumptions.

**HM METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 642,433	\$ 1,116,596	\$ 2,592,596
REVENUES			
Transfers from District No. 2	17,437,774	12,000,000	22,200,000
Transfers from District No. 3	7,510,389	5,000,000	12,000,000
Other revenue	908,716	3,500,000	2,768,000
Developer contribution	47,603	-	-
Interest income	-	40,000	82,000
Total revenues	25,904,482	20,540,000	37,050,000
Total funds available	26,546,915	21,656,596	39,642,596
EXPENDITURES			
General and administrative			
Accounting	8,206	13,000	15,000
Engineering	12,801	15,000	20,000
Legal	9,954	36,000	40,000
Contingency	-	-	1,900,000
Capital Projects			
Capital outlay	25,399,358	19,000,000	36,908,000
Total expenditures	25,430,319	19,064,000	38,883,000
Total expenditures and transfers out requiring appropriation	25,430,319	19,064,000	38,883,000
ENDING FUND BALANCES	\$ 1,116,596	\$ 2,592,596	\$ 759,596

**HM METROPOLITAN DISTRICT NO. 1
2024 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County on November 22, 2019 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Aurora. The District's service area is located in Aurora.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including street, safety protection, park and recreation, transportation, retaining walls, trails, open space, landscaping, drainage improvements, and irrigation system improvements.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$500,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

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

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

Revenues

Property Taxes

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

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

**HM METROPOLITAN DISTRICT NO. 1
2024 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (continued)

For property tax collection year 2024, 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%			

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

Other Revenue

The District anticipates revenue from various cost sharing agreements to fund the payment of infrastructure improvements.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the Districts' administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to streetscape, ponds and weeds, snow removal, and utilities were also included in the General Fund budget.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

The District does not have any debt. Additionally, the District has no operating or capital leases.

**HM METROPOLITAN DISTRICT NO. 1
2024 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

Regional Improvements

The District reserves net property tax revenue to be spent on future Regional Improvements.

This information is an integral part of the accompanying budget.