

ASPEN HILLS METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**ASPEN HILLS METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

11/30/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	1,955	\$ 886,009	\$ 42,441
REVENUES			
Property taxes	163,032	200,236	278,947
Specific ownership tax	11,965	13,600	19,527
Interest income	276	935	110
Developer advance	-	45,000	-
Facilities fees	11,500	18,500	-
Bond proceeds	2,037,000	-	-
Other revenue	-	28,632	-
Total revenues	<u>2,223,773</u>	<u>306,903</u>	<u>298,584</u>
TRANSFERS IN	<u>900,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>3,125,728</u>	<u>1,192,912</u>	<u>341,025</u>
EXPENDITURES			
General Fund	35,694	70,000	54,000
Debt Service Fund	1,299,138	130,471	143,000
Capital Projects Fund	4,887	950,000	-
Total expenditures	<u>1,339,719</u>	<u>1,150,471</u>	<u>197,000</u>
TRANSFERS OUT	<u>900,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,239,719</u>	<u>1,150,471</u>	<u>197,000</u>
ENDING FUND BALANCES	<u>\$ 886,009</u>	<u>\$ 42,441</u>	<u>\$ 144,025</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

11/30/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Residential	\$ 1,856,930	\$ 2,371,840	\$ 3,336,900
State assessed	910	1,240	2,550
Vacant land	167,730	108,980	153,130
Personal property	38,130	52,570	85,550
Certified Assessed Value	<u>\$ 2,063,700</u>	<u>\$ 2,534,630</u>	<u>\$ 3,578,130</u>
MILL LEVY			
General	15.014	15.014	13.973
Debt Service	63.986	63.986	63.986
Total mill levy	<u>79.000</u>	<u>79.000</u>	<u>77.959</u>
PROPERTY TAXES			
General	\$ 30,984	\$ 38,055	\$ 49,997
Debt Service	132,048	162,181	228,950
Levied property taxes	<u>163,032</u>	<u>200,236</u>	<u>278,947</u>
Budgeted property taxes	<u>\$ 163,032</u>	<u>\$ 200,236</u>	<u>\$ 278,947</u>
BUDGETED PROPERTY TAXES			
General	\$ 30,984	\$ 38,055	\$ 49,997
Debt Service	132,048	158,000	228,950
	<u>\$ 163,032</u>	<u>\$ 196,055</u>	<u>\$ 278,947</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

11/30/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (1,720)	\$ (6,405)	\$ 2,295
REVENUES			
Property taxes	30,984	38,055	49,997
Specific ownership tax	-	2,600	3,500
Interest income	25	45	20
Developer advance	-	15,000	-
Other revenue	-	23,000	-
Total revenues	<u>31,009</u>	<u>78,700</u>	<u>53,517</u>
Total funds available	<u>29,289</u>	<u>72,295</u>	<u>55,812</u>
EXPENDITURES			
General and administrative			
Accounting	16,077	24,000	22,000
Auditing	-	5,000	5,500
County Treasurer's fee	465	571	750
Directors' fees	1,500	2,300	1,000
Dues and licenses	271	282	300
Insurance and bonds	2,410	2,475	2,500
Legal services	14,084	28,000	19,500
Repairs and maintenance	-	5,000	-
Payroll taxes	115	176	77
Election expense	772	-	1,000
Contingency	-	2,196	1,373
Total expenditures	<u>35,694</u>	<u>70,000</u>	<u>54,000</u>
Total expenditures and transfers out requiring appropriation	<u>35,694</u>	<u>70,000</u>	<u>54,000</u>
ENDING FUND BALANCE	<u>\$ (6,405)</u>	<u>\$ 2,295</u>	<u>\$ 1,812</u>
EMERGENCY RESERVE	<u>\$ 930</u>	<u>\$ 1,900</u>	<u>\$ 1,600</u>
TOTAL RESERVE	<u>\$ 930</u>	<u>\$ 1,900</u>	<u>\$ 1,600</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

11/30/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 3,675	\$ (2,754)	\$ 40,146
REVENUES			
Property taxes	132,048	162,181	228,950
Specific ownership tax	11,965	11,000	16,027
Interest income	196	190	90
Facilities fees	11,500	-	-
Bond proceeds	2,037,000	-	-
Total revenues	<u>2,192,709</u>	<u>173,371</u>	<u>245,067</u>
Total funds available	<u>2,196,384</u>	<u>170,617</u>	<u>285,213</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,981	2,433	3,434
Paying agent fees	1,150	575	575
Contingency	-	-	3,006
Debt Service			
Bond interest - 2004 bonds	116,943	-	-
Bond interest - 2020 loan	-	55,463	56,985
Bond principal - 2004 bonds	1,065,000	-	-
Bond principal - 2020 loan	-	72,000	79,000
Bond issue costs	114,064	-	-
Total expenditures	<u>1,299,138</u>	<u>130,471</u>	<u>143,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>900,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,199,138</u>	<u>130,471</u>	<u>143,000</u>
ENDING FUND BALANCE	<u>\$ (2,754)</u>	<u>\$ 40,146</u>	<u>\$ 142,213</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

11/30/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 895,168	\$ -
REVENUES			
306360 Interest income	55	700	-
306370 Developer advance	-	30,000	-
306300 System development fees	-	18,500	-
306500 Other revenue	-	5,632	-
Total revenues	55	54,832	-
TRANSFERS IN			
306900 Transfers from other funds	900,000	-	-
Total funds available	900,055	950,000	-
EXPENDITURES			
Capital Projects			
307855 Streets	-	924,348	-
307856 Storm drainage	-	20,000	-
307460 Legal services	4,887	-	-
307480 Miscellaneous	-	5,652	-
Total expenditures	4,887	950,000	-
Total expenditures and transfers out requiring appropriation	4,887	950,000	-
ENDING FUND BALANCE	\$ 895,168	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for design, acquisition, construction and installation of streets, traffic and safety controls, water facilities, sanitary sewer, storm drainage, parks and recreation, transportation, television relay and translator, and mosquito control and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of the City of Commerce City in Adams County, Colorado.

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 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.

The budget is in accordance with the TABOR Amendment limitations that were modified by voters in an election held in November 2002. District voters approved authorization to increase property tax up to \$50,000 annually to pay for the operations and maintenance expenditures of the District. Additionally, the election allows the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

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 page 2 of the Budget.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 0.10%.

**ASPEN HILLS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized to provide financing for design, acquisition, construction and installation of streets, traffic and safety controls, water facilities, sanitary sewer, storm drainage, parks and recreation, transportation, television relay and translator, and mosquito control and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of the City of Commerce City in Adams County, Colorado.

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 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 budget is in accordance with the TABOR Amendment limitations that were modified by voters in an election held in November 2002. District voters approved authorization to increase property tax up to \$50,000 annually to pay for the operations and maintenance expenditures of the District. Additionally, the election allows the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

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 page 2 of the Budget.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 0.10%.

**ASPEN HILLS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Facilities Fees

The District imposes a facilities fee of \$500 for each residential unit constructed within the District, which is due at the time of sale of a residential unit to a purchaser. Facilities fees were pledged revenue for the payment of the Series 2004 bonds but are not pledged revenue for the 2020 Loan. It is anticipated that all facilities fees will be paid by the end of 2021.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, election, accounting, insurance, banking, and meeting costs.

Debt Service

Debt service payments are provided based on the debt amortization schedule of the District's Series 2020 Tax-Free Refunding Loan.

Capital Projects

During 2021, the District acquired public infrastructure from the Developer and/or entered into contracts for public improvements to complete the build out of District development. The District has budgeted no capital expenditures for 2022.

Debt and Leases

Bank Loan

On December 23, 2020, the District issued a tax-free refunding loan (2020 Loan) in the amount of \$2,037,000 from NHB Bank N.A. at a fixed interest rate of 2.90% per annum. Interest is due on June 1 and December 1 beginning on June 1, 2021, and principal is due on December 1, beginning on December 1, 2021. The loan matures on December 1, 2040.

The 2020 Loan is secured by (1) the required mill levy, (2) that portion of the specific ownership taxes collected as the result of the required mill levy, and (3) any other legally available moneys which the Board determines to apply as pledged revenue. The required mill levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the loan payment fund, to pay the principal of and interest on the loan when due, but not in excess of 50 mills, subject to adjustment for any changes in the method of calculating assessed valuation since 2002. The adjusted maximum required mill levy for the 2021 budget is 63.986. When the debt to assessed ratio is 50% or less, the required mill levy is an ad valorem mill levy imposed upon all property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the loan when due, without limitation of rate and in amounts sufficient to make such payments when due. At December 31, 2021, the debt to assessed ratio was 54.9%.

**ASPEN HILLS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Proceeds of the 2020 Loan were used to (1) repay the District's Series 2004 General Obligation Bonds, (2) fund future capital improvements of the District, and (3) pay the cost of issue of the 2020 Loan.

Developer Advances

In 2004 the District entered into an Advance and Reimbursement Agreement (Old Agreement) with the Developer. In 2016, the Old Agreement was terminated and all advances under the Old Agreement were assigned to a new Advance and Reimbursement Agreement (New Agreement). Advances under the New Agreement accrue interest at the rate of 6% per annum. Developer advances are not general obligation debt. Payments under the New Agreement are subject to annual appropriation from available funds not needed for operations or debt service. See below of the anticipated activity associated with the developer advances:

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2021</u>
Developer advances				
Principal - Operations	\$ 45,700	\$ 15,000	\$ -	\$ 60,700
Principal - Capital	-	30,000	-	30,000
Accrued interest	18,726	3,400	-	22,126
	<u>\$ 64,426</u>	<u>\$ 48,400</u>	<u>\$ -</u>	<u>\$ 112,826</u>
	<u>Balance</u> <u>12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2022</u>
Developer advances				
Principal - Operations	\$ 60,700	\$ -	\$ -	\$ 60,700
Principal - Capital	30,000	-	-	30,000
Accrued interest	22,126	5,442	-	27,568
	<u>\$ 112,826</u>	<u>\$ 5,442</u>	<u>\$ -</u>	<u>\$ 118,268</u>

The District has no operating or capital leases.

Reserve Funds

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2022, as defined under TABOR.

This information is an integral part of the accompanying budget.

**ASPEN HILLS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$2,030,000 Tax-Free Refunding Loan
Series 2020A, Dated December 23, 2020
Interest Rate of 2.90%
Interest Payable June 1 and December 1,
Principal Due December 1**

Year Ended December 31,	Principal	Interest	Total
2022	\$ 79,000	\$ 56,985	\$ 135,985
2023	81,000	54,694	135,694
2024	84,000	52,345	136,345
2025	86,000	49,909	135,909
2026	89,000	47,415	136,415
2027	91,000	44,834	135,834
2028	94,000	42,195	136,195
2029	97,000	39,469	136,469
2030	99,000	36,656	135,656
2031	102,000	33,785	135,785
2032	105,000	30,827	135,827
2033	108,000	27,782	135,782
2034	111,000	24,650	135,650
2035	115,000	21,431	136,431
2036	118,000	18,096	136,096
2037	121,000	14,674	135,674
2038	125,000	11,165	136,165
2039	128,000	7,540	135,540
2040	132,000	3,828	135,828
Total	<u>\$1,965,000</u>	<u>\$ 618,280</u>	<u>\$ 2,583,280</u>

No assurance provided. See summary of significant assumption.