

ASPEN HILLS METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**ASPEN HILLS METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 886,009	\$ 25,003	\$ 149,170
REVENUES			
Property taxes	196,486	281,752	285,922
Specific ownership tax	13,594	19,500	20,015
Interest income	936	2,600	3,030
Developer advance	45,000	-	-
Facilities fees	17,500	-	-
Total revenues	<u>273,516</u>	<u>303,852</u>	<u>308,967</u>
TRANSFERS IN	<u>-</u>	<u>344</u>	<u>-</u>
Total funds available	<u>1,159,525</u>	<u>329,199</u>	<u>458,137</u>
EXPENDITURES			
General Fund	60,500	39,656	54,000
Debt Service Fund	130,429	140,029	142,000
Capital Projects Fund	943,593	-	-
Total expenditures	<u>1,134,522</u>	<u>179,685</u>	<u>196,000</u>
TRANSFERS OUT	<u>-</u>	<u>344</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,134,522</u>	<u>180,029</u>	<u>196,000</u>
ENDING FUND BALANCES	<u>\$ 25,003</u>	<u>\$ 149,170</u>	<u>\$ 262,137</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential - single family	\$ 2,371,840	\$ 3,336,900	\$ 3,525,540
State assessed	1,240	2,550	1,510
Vacant land	108,980	153,130	10
Personal property	52,570	85,550	58,620
Certified Assessed Value	<u>\$ 2,534,630</u>	<u>\$ 3,578,130</u>	<u>\$ 3,585,680</u>
MILL LEVY			
General	15.014	13.973	13.944
Debt Service	63.986	63.986	65.796
Total mill levy	<u>79.000</u>	<u>77.959</u>	<u>79.740</u>
PROPERTY TAXES			
General	\$ 38,055	\$ 49,997	\$ 49,999
Debt Service	162,181	228,950	235,923
Levied property taxes	<u>200,236</u>	<u>278,947</u>	<u>285,922</u>
Adjustments to actual/rounding	12,032	-	-
Refunds and abatements	(15,782)	2,805	-
Budgeted property taxes	<u>\$ 196,486</u>	<u>\$ 281,752</u>	<u>\$ 285,922</u>
BUDGETED PROPERTY TAXES			
General	\$ 37,342	\$ 50,500	\$ 49,999
Debt Service	159,144	231,252	235,923
	<u>\$ 196,486</u>	<u>\$ 281,752</u>	<u>\$ 285,922</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (6,405)	\$ (11,914)	\$ 2,286
REVENUES			
Property taxes	37,342	50,500	49,999
Specific ownership tax	2,584	3,500	3,500
Interest income	65	200	30
Developer advance	15,000	-	-
Total revenues	54,991	54,200	53,529
Total funds available	48,586	42,286	55,815
EXPENDITURES			
General and administrative			
Accounting	25,050	16,000	18,000
Auditing	5,000	5,500	-
County Treasurer's fee	561	757	750
Directors' fees	1,500	1,600	1,000
Dues and licenses	282	304	350
Insurance and bonds	2,475	2,475	2,600
Legal services	25,632	5,000	6,000
Payroll taxes	-	236	76
Election expense	-	1,365	1,500
Repay developer advance	-	5,000	22,000
Contingency	-	1,419	1,724
Total expenditures	60,500	39,656	54,000
TRANSFERS OUT			
Transfers to other fund	-	344	-
Total expenditures and transfers out requiring appropriation	60,500	40,000	54,000
ENDING FUND BALANCE	\$ (11,914)	\$ 2,286	\$ 1,814
EMERGENCY RESERVE	\$ 1,200	\$ 1,600	\$ 1,600
TOTAL RESERVE	\$ 1,200	\$ 1,600	\$ 1,600

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (2,754)	\$ 37,261	\$ 146,884
REVENUES			
Property taxes	159,144	231,252	235,923
Specific ownership tax	11,010	16,000	16,515
Interest income	290	2,400	3,000
Total revenues	<u>170,444</u>	<u>249,652</u>	<u>255,438</u>
Total funds available	<u>167,690</u>	<u>286,913</u>	<u>402,322</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	2,391	3,469	3,539
Paying agent fees	575	575	575
Contingency	-	-	2,192
Debt Service			
Bond interest - 2020 loan	55,463	56,985	54,694
Bond principal - 2020 loan	72,000	79,000	81,000
Total expenditures	<u>130,429</u>	<u>140,029</u>	<u>142,000</u>
Total expenditures and transfers out requiring appropriation	<u>130,429</u>	<u>140,029</u>	<u>142,000</u>
ENDING FUND BALANCE	<u>\$ 37,261</u>	<u>\$ 146,884</u>	<u>\$ 260,322</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 895,168	\$ (344)	\$ -
REVENUES			
Interest income	581	-	-
Developer advance	30,000	-	-
Facilities fees	17,500	-	-
Total revenues	<u>48,081</u>	<u>-</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>344</u>	<u>-</u>
Total funds available	<u>943,249</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Streets	925,042	-	-
Storm drainage	18,510	-	-
Banking fees	41	-	-
Total expenditures	<u>943,593</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>943,593</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ (344)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**ASPEN HILLS METROPOLITAN DISTRICT
2023 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on page 2 of the Budget.

**ASPEN HILLS METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

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 1.50%.

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.

**ASPEN HILLS METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

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 2023 budget is 65.796. 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, 2022, the debt to assessed ratio was 52.6%. 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>12/31/2021</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	22,813	6,349	5,000	24,162
	<u>\$ 112,826</u>	<u>\$ 6,349</u>	<u>\$ 5,000</u>	<u>\$ 114,862</u>

	<u>Balance</u> <u>12/31/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>
Developer advances				
Principal - Operations	\$ 60,700	\$ -	\$ -	\$ 60,700
Principal - Capital	30,000	-	-	30,000
Accrued interest	24,162	6,349	22,000	8,511
	<u>\$ 114,862</u>	<u>\$ 6,349</u>	<u>\$ 22,000</u>	<u>\$ 99,211</u>

The District has no operating or capital leases.

**ASPEN HILLS METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2023, 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
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>\$1,886,000</u>	<u>\$ 561,295</u>	<u>\$ 2,447,295</u>