

HERITAGE HILLS METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

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

11/29/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 3,531,076	\$ 4,155,120	\$ 4,280,992
REVENUES			
Property taxes	2,002,029	2,010,932	2,156,172
Specific ownership tax	172,805	198,766	172,494
Interest income	30,513	3,972	3,517
Other revenue	3,950	8,500	9,000
Total revenues	<u>2,209,297</u>	<u>2,222,170</u>	<u>2,341,183</u>
Total funds available	<u>5,740,373</u>	<u>6,377,290</u>	<u>6,622,175</u>
EXPENDITURES			
General and administrative			
Accounting	46,985	47,000	51,700
Audit fees	3,500	3,500	4,000
County Treasurer's fee	30,055	30,184	32,343
Directors' fees	8,300	8,000	10,000
Insurance and bonds	19,153	21,164	23,300
District management	110,212	125,000	137,500
Legal services	65,762	80,000	85,000
Miscellaneous	10,371	7,000	10,000
Election expense	-	-	40,000
Contingency	-	-	45,207
Operations, maintenance and capital replacement			
Engineering	3,191	56,000	61,500
Fence and sign maintenance	20,602	53,000	60,000
Gated entrance	24,798	31,000	115,000
Landscaping	707,934	637,450	868,450
Recreational costs	242,642	202,000	395,000
Seasonal lights	49,947	45,000	50,000
Snow removal	42,655	110,000	130,000
Street lighting	23,929	30,000	40,000
Street maintenance	69,982	520,000	1,600,000
Utilities	105,235	90,000	110,000
Total expenditures	<u>1,585,253</u>	<u>2,096,298</u>	<u>3,869,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,585,253</u>	<u>2,096,298</u>	<u>3,869,000</u>
ENDING FUND BALANCE	<u>\$ 4,155,120</u>	<u>\$ 4,280,992</u>	<u>\$ 2,753,175</u>
EMERGENCY RESERVE	\$ 67,000	\$ 66,700	\$ 70,300
OPERATIONS RESERVE	250,000	250,000	250,000
CAPITAL RESERVE	1,640,820	3,714,292	2,182,875
CATASTROPHE RESERVE	250,000	250,000	250,000
UNRESERVED AND UNDESIGNATED	1,947,300	-	-
TOTAL FUND BALANCE	<u>\$ 4,155,120</u>	<u>\$ 4,280,992</u>	<u>\$ 2,753,175</u>

No assurance provided. See summary of significant assumptions.

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

11/29/21

ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
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ASSESSED VALUATION

Residential	\$ 48,387,450	\$ 49,091,840	\$ 52,750,200
State assessed	1,600	1,500	3,200
Vacant land	1,265,140	827,380	769,100
Personal property	429,810	386,430	381,800
Certified Assessed Value	\$ 50,084,000	\$ 50,307,150	\$ 53,904,300

MILL LEVY

General	40.000	40.000	40.000
Total mill levy	40.000	40.000	40.000

PROPERTY TAXES

General	\$ 2,003,360	\$ 2,012,286	\$ 2,156,172
Levied property taxes	2,003,360	2,012,286	2,156,172
Adjustments to actual/rounding	(294)	-	-
Refunds and abatements	(1,037)	(1,354)	-
Budgeted property taxes	\$ 2,002,029	\$ 2,010,932	\$ 2,156,172

BUDGETED PROPERTY TAXES

General	\$ 2,002,029	\$ 2,010,932	\$ 2,156,172
	\$ 2,002,029	\$ 2,010,932	\$ 2,156,172

No assurance provided. See summary of significant assumptions.

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

Services Provided

Heritage Hills Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court in Douglas County on July 12, 1996, and is governed pursuant to provisions of the Colorado Special District Act (Title 21, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado. The District was established for the purpose of providing facilities including public street improvements, storm sewer facilities, and park and recreation facilities, in addition to operating and maintaining such facilities, or transferring them to other political subdivisions for operations and maintenance. Furthermore, the District was formed for the purpose of operating and maintaining streets owned by the Heritage Hills Homeowners Association, Inc., as well as District-owned security facilities.

In August 2001, Heritage Hills Metropolitan District was annexed into the City of Lone Tree ("City"). As part of the annexation agreement, the City provides trash collection and police protection services for residents within the District.

The budget is in accordance with the TABOR Amendment limitations, which were modified by an election held in May 1996. District voters approved to increase property taxes \$454,330 annually, without limitation of rate, to pay the District's operations maintenance and other expenditures.

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 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

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, sale 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.

**HERITAGE HILLS METROPOLITAN DISTRICT
2022 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 8% of the property taxes collected by the General Fund.

Interest Income

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

Other Income

Other income includes various miscellaneous revenues including clubhouse rental fees and transponder fees.

Expenditures

Administrative and Operating Expenditures

These expenditures are based upon current year's expenditures and negotiated maintenance contracts. Administrative and operating expenditures include legal, accounting and management costs as well as costs to maintain the common area landscaping and fencing, recreational facilities and activities, security gates, and streets.

Debt & Leases

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

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending as defined under TABOR.

Operations Reserve

The District maintains a reserve for operations of \$250,000.

Capital Reserve

The District has provided for a capital reserve for future capital projects and replacements.

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

Reserves - (continued)

Catastrophe Reserve

The District maintains a reserve for catastrophes of \$250,000.

This information is an integral part of the accompanying budget.