

HIDDEN CREEK METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**HIDDEN CREEK METRO DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,345,602	\$ (2,654)	\$ 9,640
REVENUES			
Property taxes	60,215	133,322	473,631
Property taxes - Contribution Mill Levy	3,430	7,595	27,144
Specific ownership tax - Contribution Mill Levy	203	325	1,086
Interest income - Contribution Mill Levy	3	27	30
Specific ownership taxes	3,564	5,690	18,945
Interest income	16,336	1,835	340
Developer advance	4,021,714	68,000	18,000
Total revenues	<u>4,105,465</u>	<u>216,794</u>	<u>539,176</u>
Total funds available	<u>5,451,067</u>	<u>214,140</u>	<u>548,816</u>
EXPENDITURES			
General Fund	69,464	79,500	110,000
Debt Service Fund	52,177	125,000	425,000
Capital Projects Fund	5,332,080	-	-
Total expenditures	<u>5,453,721</u>	<u>204,500</u>	<u>535,000</u>
Total expenditures and transfers out requiring appropriation	<u>5,453,721</u>	<u>204,500</u>	<u>535,000</u>
ENDING FUND BALANCES	<u>\$ (2,654)</u>	<u>\$ 9,640</u>	<u>\$ 13,816</u>
EMERGENCY RESERVE	\$ 400	\$ 800	\$ 2,900
TOTAL RESERVE	<u>\$ 400</u>	<u>\$ 800</u>	<u>\$ 2,900</u>

No assurance provided. See summary of significant assumptions.

**HIDDEN CREEK METRO DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Residential	\$ 980,910	\$ 1,770,090	\$ 4,144,240
Commercial	-	1,050	10,280
Oil and Gas	39,700	57,320	133,120
State assessed	122,750	138,040	84,500
Vacant land	-	565,050	4,675,950
Certified Assessed Value	\$ 1,143,360	\$ 2,531,550	\$ 9,048,090

MILL LEVY

General	9.467	10.000	10.000
Debt Service	43.197	42.664	42.346
Contribution Mill Levy	3.000	3.000	3.000
Total mill levy	55.664	55.664	55.346

PROPERTY TAXES

General	\$ 10,824	\$ 25,316	\$ 90,481
Debt Service	49,390	108,006	383,150
Contribution Mill Levy	3,430	7,595	27,144
Levied property taxes	63,644	140,917	500,775
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	\$ 63,645	\$ 140,917	\$ 500,775

BUDGETED PROPERTY TAXES

General	\$ 10,824	\$ 25,316	\$ 90,481
Debt Service	49,391	108,007	383,150
Contribution Mill Levy	3,430	7,595	27,144
	\$ 63,645	\$ 140,917	\$ 500,775

**HIDDEN CREEK METRO DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (10,146)	\$ (11,560)	\$ 3,436
REVENUES			
Property taxes	10,824	25,316	90,481
Specific ownership taxes	641	1,090	3,619
Interest income	11	90	100
Developer advance	56,574	68,000	18,000
Total revenues	<u>68,050</u>	<u>94,496</u>	<u>112,200</u>
Total funds available	<u>57,904</u>	<u>82,936</u>	<u>115,636</u>
EXPENDITURES			
General and administrative			
Accounting	34,066	30,000	33,000
Auditing	5,000	5,000	5,500
County Treasurer's fee	162	380	1,357
Dues and membership	347	347	500
Insurance	2,999	3,044	3,500
District management	7,830	11,000	28,000
Legal	16,238	18,000	33,000
Miscellaneous	-	800	800
Election	2,822	3,009	-
Contingency	-	7,920	4,343
Total expenditures	<u>69,464</u>	<u>79,500</u>	<u>110,000</u>
Total expenditures and transfers out requiring appropriation	<u>69,464</u>	<u>79,500</u>	<u>110,000</u>
ENDING FUND BALANCES	<u>\$ (11,560)</u>	<u>\$ 3,436</u>	<u>\$ 5,636</u>
EMERGENCY RESERVE	\$ 400	\$ 800	\$ 2,900
AVAILABLE FOR OPERATIONS	<u>(11,960)</u>	<u>2,636</u>	<u>2,736</u>
TOTAL RESERVE	<u>\$ (11,560)</u>	<u>\$ 3,436</u>	<u>\$ 5,636</u>

No assurance provided. See summary of significant assumptions.

**HIDDEN CREEK METRO DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 175	\$ 4,014	\$ 1,117
REVENUES			
Property taxes	49,391	108,007	383,150
Specific ownership taxes	2,923	4,600	15,326
Property taxes - Contribution Mill Levy	3,430	7,595	27,144
Specific ownership tax - Contribution Mill Levy	203	325	1,086
Interest income - Contribution Mill Levy	3	27	30
Interest income	66	1,550	40
Total revenues	56,016	122,103	426,776
Total funds available	56,191	126,117	427,893
EXPENDITURES			
General and administrative			
County Treasurer's fee	741	1,620	5,747
County Treasurer's fee - Contribution Mill Levy	52	114	407
Paying agent fees	2,500	5,500	5,500
Transfer to the Town of Frederick	3,584	7,942	27,853
Contingency	-	124	493
Debt Service			
Bond interest	45,300	109,700	385,000
Total expenditures	52,177	125,000	425,000
Total expenditures and transfers out requiring appropriation	52,177	125,000	425,000
ENDING FUND BALANCES	\$ 4,014	\$ 1,117	\$ 2,893

**HIDDEN CREEK METRO DISTRICT
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,355,573	\$ 4,892	\$ 5,087
REVENUES			
Interest income	16,259	195	200
Developer advance	3,965,140	-	-
Total revenues	<u>3,981,399</u>	<u>195</u>	<u>200</u>
Total funds available	<u>5,336,972</u>	<u>5,087</u>	<u>5,287</u>
EXPENDITURES			
General and Administrative			
Capital Projects			
Repay developer advance	1,364,178	-	-
Engineering	2,762	-	-
Capital outlay	3,965,140	-	-
Total expenditures	<u>5,332,080</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>5,332,080</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 4,892</u>	<u>\$ 5,087</u>	<u>\$ 5,287</u>

No assurance provided. See summary of significant assumptions.

**HIDDEN CREEK METROPOLITAN DISTRICT
2024 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 the Town of Frederick on December 8, 2015, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the Town of Frederick.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

On November 3, 2015, the District's voters authorized total indebtedness of \$110,000,000 for the above listed facilities. The District's voters also authorized total indebtedness of \$10,000,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities. The election also approved an annual increase in property taxes of \$500,000 without limitation of rate, to pay the District's operation and maintenance costs.

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 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 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

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 District's maximum Required Mill Levy is 50.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District.

**HIDDEN CREEK METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. As of December 31, 2024, the adjusted maximum mill levy for debt service is 42.346 mills.

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.

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%		

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 4% 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 approximately 4.00%.

Developer Advance

The District is in the development stage. A significant portion of operations and maintenance costs of the District in 2024 are expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bonds proceeds and other legally available revenue.

**HIDDEN CREEK METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, membership dues, election and other administrative expenditures.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District does not anticipate infrastructure improvements in 2024 as noted in the Capital Projects fund.

Debt and Leases

Proceeds of the Bonds

The District issued Bonds on July 15, 2021, in the par amount of \$8,000,000. Proceeds from the sale of the Bonds were used to finance and reimburse a portion of the costs of public infrastructure improvements related to the Development and to pay the costs of issuing the Bonds.

The Bonds bear interest at the rate of 4.625% per annum and are payable annually on December 1, beginning on December 1, 2021, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2045 and are subject to mandatory redemption to the extent of available Pledged Revenue.

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Bonds compounds annually on each December 1 at the rate borne by the Bonds. In the event any amount of principal or interest on the Bonds remains unpaid after the application of all Pledged Revenue available therefor on December 1, 2061 (the "Discharge Date"), such amounts shall be deemed discharged and no longer due and outstanding.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on September 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
September 1, 2026, to August 31, 2027	3.00%
September 1, 2027, to August 31, 2028	2.00
September 1, 2028, to August 31, 2029	1.00
September 1, 2029, and thereafter	0.00

**HIDDEN CREEK METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Schedule of Long-term Obligations

	Balance - December 31, 2022	Additions	Reductions	Balance - December 31, 2023	Due Within One Year
Limited Tax General					
Obligation Bonds:					
Senior - Series 2021A	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -
Subordinate - Series 2021B	-	-	-	-	-
Junior Lien - Series 2021C	-	-	-	-	-
Accrued Interest on					
Senior - Series 2021A	472,683	391,457	105,000	759,140	-
Developer Advances - Prior Costs	84,839	-	-	84,839	-
Developer Advances - O&M	80,530	68,000	-	148,530	-
Developer Advances - Infrastructure	2,600,962	-	-	2,600,962	-
Accrued Interest on					
Developer Advances - Prior Costs	17,145	6,787	-	23,932	-
Developer Advances - O&M	4,846	11,882	-	16,728	-
Accrued Interest on Developer Advances - Infrastructure	960,145	189,498	-	1,149,643	-
Total	<u>\$ 12,221,150</u>	<u>\$ 667,624</u>	<u>\$ 105,000</u>	<u>\$ 12,783,774</u>	<u>\$ -</u>
	Balance - December 31, 2023	Additions	Reductions	Balance - December 31, 2024	Due Within One Year
Limited Tax General					
Obligation Bonds:					
Senior - Series 2021A	\$ 8,000,000	\$ -	\$ -	\$ -	\$ -
Subordinate - Series 2021B	-	-	-	-	-
Junior Lien - Series 2021C	-	-	-	-	-
Accrued Interest on					
Senior - Series 2021A	759,140	403,626	385,000	777,766	-
Developer Advances - Prior Costs	84,839	-	-	84,839	-
Developer Advances - O&M	148,530	18,000	-	166,530	-
Developer Advances - Infrastructure	2,600,962	-	-	2,600,962	-
Accrued Interest on					
Developer Advances - Prior Costs	23,932	6,787	-	30,719	-
Developer Advances - O&M	16,728	13,642	-	30,370	-
Accrued Interest on Developer Advances - Infrastructure	1,149,643	189,498	-	1,339,141	-
Total	<u>\$ 12,783,774</u>	<u>\$ 631,553</u>	<u>\$ 385,000</u>	<u>\$ 5,030,327</u>	<u>\$ -</u>

This District has no operating or capital leases.

**HIDDEN CREEK METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Emergency Reserve

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

This information is an integral part of the accompanying budget.