

HIDDEN CREEK METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

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

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 1,345,602	\$ 3,531
REVENUES			
Developer advance	35,016	2,685,962	75,000
Property taxes	26,996	60,215	133,321
Property taxes - Contribution Mill Levy	1,538	3,430	7,595
Specific ownership tax	1,320	3,600	7,999
Specific ownership tax - Contribution Mill Levy	75	206	461
Bond proceeds	8,000,000	-	-
Interest income	541	13,657	100
Total revenues	<u>8,065,486</u>	<u>2,767,070</u>	<u>224,476</u>
Total funds available	<u>8,065,486</u>	<u>4,112,671</u>	<u>228,008</u>
EXPENDITURES			
General Fund	50,846	85,000	100,000
Debt Service Fund	24,178	54,000	108,000
Capital Projects Fund	6,644,860	3,970,140	-
Total expenditures	<u>6,719,884</u>	<u>4,109,140</u>	<u>207,999</u>
Total expenditures and transfers out requiring appropriation	<u>6,719,884</u>	<u>4,109,140</u>	<u>207,999</u>
ENDING FUND BALANCES	<u>\$ 1,345,602</u>	<u>\$ 3,531</u>	<u>\$ 20,008</u>
EMERGENCY RESERVE	<u>\$ 200</u>	<u>\$ 300</u>	<u>\$ 800</u>
TOTAL RESERVE	<u>\$ 200</u>	<u>\$ 300</u>	<u>\$ 800</u>

No assurance provided. See summary of significant assumptions.

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

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION - WELD COUNTY			
Residential	\$ 302,220	\$ 980,910	\$ 1,770,090
Commercial	-	-	1,050
State assessed	69,900	122,750	138,040
Vacant land	-	-	565,050
Oil and Gas	141,750	39,700	57,320
	<u>513,870</u>	<u>1,143,360</u>	<u>2,531,550</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 513,870</u>	<u>\$ 1,143,360</u>	<u>\$ 2,531,550</u>
MILL LEVY			
General	10.533	9.467	10.000
Debt Service	42.131	43.197	42.664
Contribution Mill Levy	3.000	3.000	3.000
Total mill levy	<u>55.664</u>	<u>55.664</u>	<u>55.664</u>
PROPERTY TAXES			
General	\$ 5,413	\$ 10,823	\$ 25,315
Debt Service	21,650	49,390	108,006
Contribution Mill Levy	1,542	3,430	7,595
Levied property taxes	<u>28,605</u>	<u>63,643</u>	<u>140,916</u>
Adjustments to actual/rounding	(71)	2	-
Refunds and abatements	-	-	-
Budgeted property taxes	<u>\$ 28,534</u>	<u>\$ 63,645</u>	<u>\$ 140,916</u>
General	\$ 5,399	\$ 10,823	\$ 25,315
Debt Service	21,597	49,391	108,006
Contribution Mill Levy	1,538	3,430	7,595
BUDGETED PROPERTY TAXES	<u>\$ 28,534</u>	<u>\$ 63,645</u>	<u>\$ 140,916</u>

No assurance provided. See summary of significant assumptions.

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

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ (10,146)	\$ 1,328
REVENUES			
Developer advance	35,016	85,000	75,000
Property taxes	5,399	10,824	25,315
Specific ownership tax	264	640	1,519
Interest income	21	10	10
Total revenues	<u>\$ 40,700</u>	<u>\$ 96,474</u>	<u>\$ 101,844</u>
EXPENDITURES			
General and administrative			
Accounting	21,882	30,000	30,000
Audit	-	5,000	5,500
County Treasurer's fee	81	162	380
District management	9,940	15,000	25,000
Dues and licenses	302	347	500
Election	-	3,000	3,000
Insurance and bonds	2,391	2,999	3,044
Legal services	16,215	20,000	30,000
Miscellaneous	35	800	800
Contingency	-	7,692	1,776
Total expenditures	<u>50,846</u>	<u>85,000</u>	<u>100,000</u>
Total expenditures and transfers out requiring appropriation	<u>50,846</u>	<u>85,000</u>	<u>100,000</u>
ENDING FUND BALANCE	<u>\$ (10,146)</u>	<u>\$ 1,328</u>	<u>\$ 3,173</u>
EMERGENCY RESERVE	\$ 200	\$ 300	\$ 800
TOTAL RESERVE	<u>\$ 200</u>	<u>\$ 300</u>	<u>\$ 800</u>

No assurance provided. See summary of significant assumptions.

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

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 175	\$ 2,203
REVENUES			
Property taxes	21,597	49,391	108,006
Specific ownership tax	1,056	2,960	6,480
Property taxes - Contribution Mill Levy	1,538	3,430	7,595
Specific ownership tax - Contribution Mill Levy	75	206	456
Interest income	87	39	90
Interest income - Contribution Mill Levy	-	3	5
Total revenues	24,353	56,029	122,632
Total funds available	24,353	56,203	124,835
EXPENDITURES			
General and administrative			
County Treasurer's fee	325	741	1,620
County Treasurer's fee - Contribution Mill Levy	23	52	114
Transfer to the Town of Frederick	1,596	3,587	7,942
Paying agent fees	-	2,500	3,000
Contingency	-	1,820	1,517
Debt Service			
Bond interest	22,234	45,300	93,807
Total expenditures	24,178	54,000	108,000
Total expenditures and transfers out requiring appropriation	24,178	54,000	108,000
ENDING FUND BALANCE	\$ 175	\$ 2,203	\$ 16,835

No assurance provided. See summary of significant assumptions.

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

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 1,355,573	\$ -
REVENUES			
Developer Advance	-	2,600,962	-
Interest income	433	13,605	-
Bond proceeds	8,000,000	-	-
Total revenues	8,000,433	2,614,567	-
TRANSFERS IN			
Transfers from other funds	-	-	-
Total funds available	8,000,433	3,970,140	-
EXPENDITURES			
Paying agent fees	6,000	-	-
Bond issue costs	348,885	-	-
Capital improvements	-	2,600,962	-
Developer Reimbursement	6,285,584	1,364,178	-
Engineering	4,391	5,000	-
Total expenditures	6,644,860	3,970,140	-
Total expenditures and transfers out requiring appropriation	6,644,860	3,970,140	-
ENDING FUND BALANCE	\$ 1,355,573	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HIDDEN CREEK METROPOLITAN DISTRICT
2023 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
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (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, 2023, the adjusted maximum mill levy for debt service is 42.664 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.

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 6% 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 0.2%.

Developer Advance

The District is in the development stage. A significant portion of operations and maintenance costs of the District in 2023 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.

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 2023 as noted in the Capital Projects fund.

**HIDDEN CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

	Balance - December 31, 2021	Additions	Reductions	Balance - December 31, 2022	Due Within One Year
Limited Tax General					
Obligation Bonds:					
Senior - Series 2021A	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -
Accrued Interest on	-			-	
Senior - Series 2021A	141,608	376,383	45,300	472,691	-
Developer Advances - Prior Costs	84,839	-	-	84,839	-
Developer Advances - O&M	23,956	85,000	-	108,956	-
Developer Advances - Infrastructure	-	3,965,140	1,364,178	2,600,962	-
Accrued Interest on					
Developer Advances - Prior Costs	10,358	-	-	10,358	-
Developer Advances - O&M	532	1,916	-	2,448	-
Accrued Interest on Developer Advances - Infrastructure	770,647	-	-	770,647	-
Total	<u>\$ 9,031,940</u>	<u>\$ 15,339,758</u>	<u>\$ 6,307,818</u>	<u>\$ 12,050,901</u>	<u>\$ -</u>
	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	\$ -	\$ -	\$ -	\$ -
Accrued Interest on					
Senior - Series 2021A	472,691	866,438	93,807	1,245,322	-
Developer Advances - Prior Costs	84,839	-	-	84,839	-
Developer Advances - O&M	108,956	75,000	-	183,956	-
Developer Advances - Infrastructure	2,600,962	-	-	2,600,962	-
Accrued Interest on					
Developer Advances - Prior Costs	10,358	6,787	-	17,145	-
Developer Advances - O&M	2,448	8,316	-	10,764	-
Accrued Interest on Developer Advances - Infrastructure	770,647	189,498	-	960,145	-
Total	<u>\$ 12,050,901</u>	<u>\$ 15,339,758</u>	<u>\$ 6,307,818</u>	<u>\$ 9,031,940</u>	<u>\$ -</u>

This District has no operating or capital leases.

**HIDDEN CREEK METROPOLITAN DISTRICT
2023 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.