

HERITAGE HILLS METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

**HERITAGE HILLS METROPOLITAN DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

10/7/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 4,866,256	\$ 4,916,059	\$ 4,991,348	\$ 4,991,348	\$ 5,205,662
REVENUES					
Property taxes	2,160,406	2,311,331	2,260,601	2,311,332	2,473,074
Specific ownership taxes	200,316	208,020	85,489	190,000	222,577
Interest Income	292,489	135,000	154,929	259,803	190,000
Insurance proceeds	12,143	-	28,455	28,455	-
Other Revenue	9,350	8,000	76,352	80,000	10,000
Total revenues	<u>2,674,704</u>	<u>2,662,351</u>	<u>2,605,826</u>	<u>2,869,590</u>	<u>2,895,651</u>
TRANSFERS IN	<u>-</u>	<u>4,718,000</u>	<u>915,638</u>	<u>932,818</u>	<u>1,920,000</u>
Total funds available	<u>7,540,960</u>	<u>12,296,410</u>	<u>8,512,812</u>	<u>8,793,756</u>	<u>10,021,313</u>
EXPENDITURES					
General Fund	2,549,612	2,280,000	837,773	1,712,655	2,696,035
Capital Projects Fund	-	2,400,000	925,441	942,621	1,920,000
Total expenditures	<u>2,549,612</u>	<u>4,680,000</u>	<u>1,763,214</u>	<u>2,655,276</u>	<u>4,616,035</u>
TRANSFERS OUT	<u>-</u>	<u>4,718,000</u>	<u>915,638</u>	<u>932,818</u>	<u>1,920,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,549,612</u>	<u>9,398,000</u>	<u>2,678,852</u>	<u>3,588,094</u>	<u>6,536,035</u>
ENDING FUND BALANCES	<u>\$ 4,991,348</u>	<u>\$ 2,898,410</u>	<u>\$ 5,833,960</u>	<u>\$ 5,205,662</u>	<u>\$ 3,485,278</u>
EMERGENCY RESERVE	\$ 80,300	\$ 79,900	\$ 77,900	\$ 85,800	\$ 86,900
OPERATIONS RESERVE	500,000	500,000	500,000	500,000	500,000
CAPITAL RESERVE	4,411,048	510	5,256,060	4,619,862	2,898,378
TOTAL RESERVE	<u>\$ 4,991,348</u>	<u>\$ 580,410</u>	<u>\$ 5,833,960</u>	<u>\$ 5,205,662</u>	<u>\$ 3,485,278</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**HERITAGE HILLS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

10/7/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION					
Residential - single family	\$ 51,907,200	\$ 69,264,970	\$ 69,264,970	\$ 69,264,970	\$ 69,290,320
State assessed	5,300	5,400	5,400	5,400	5,700
Vacant land	66,400	-	-	-	-
Personal property	531,200	564,700	564,700	564,700	598,400
Certified Assessed Value	<u>\$ 52,510,100</u>	<u>\$ 69,835,070</u>	<u>\$ 69,835,070</u>	<u>\$ 69,835,070</u>	<u>\$ 69,894,420</u>
MILL LEVY					
General	41.137	33.097	33.097	33.097	35.383
Total mill levy	<u>41.137</u>	<u>33.097</u>	<u>33.097</u>	<u>33.097</u>	<u>35.383</u>
PROPERTY TAXES					
General	\$ 2,160,108	\$ 2,311,332	\$ 2,311,332	\$ 2,311,332	\$ 2,473,074
Levied property taxes	2,160,108	2,311,332	2,311,332	2,311,332	2,473,074
Adjustments to actual/rounding	298	-	(50,731)	-	-
Budgeted property taxes	<u>\$ 2,160,406</u>	<u>\$ 2,311,332</u>	<u>\$ 2,260,601</u>	<u>\$ 2,311,332</u>	<u>\$ 2,473,074</u>
BUDGETED PROPERTY TAXES					
General	<u>\$ 2,160,406</u>	<u>\$ 2,311,332</u>	<u>\$ 2,260,601</u>	<u>\$ 2,311,332</u>	<u>\$ 2,473,074</u>
	<u>\$ 2,160,406</u>	<u>\$ 2,311,332</u>	<u>\$ 2,260,601</u>	<u>\$ 2,311,332</u>	<u>\$ 2,473,074</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**HERITAGE HILLS METROPOLITAN DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

10/7/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 4,866,256	\$ 4,916,059	\$ 4,991,348	\$ 4,991,348	\$ 5,205,662
REVENUES					
Property taxes	2,160,406	2,311,331	2,260,601	2,311,332	2,473,074
Specific ownership taxes	200,316	208,020	85,489	190,000	222,577
Interest Income	292,489	135,000	145,126	250,000	190,000
Other Revenue	9,350	8,000	76,352	80,000	10,000
Insurance proceeds	12,143	-	28,455	28,455	-
Total revenues	<u>2,674,704</u>	<u>2,662,351</u>	<u>2,596,023</u>	<u>2,859,787</u>	<u>2,895,651</u>
Total funds available	<u>7,540,960</u>	<u>7,578,410</u>	<u>7,587,371</u>	<u>7,851,135</u>	<u>8,101,313</u>
EXPENDITURES					
General and administrative					
Accounting	64,159	70,500	33,950	70,500	70,500
Auditing	4,500	5,100	-	6,500	6,500
County Treasurer's Fee	32,431	34,670	34,998	35,800	37,096
Directors' fees	9,600	12,000	5,167	12,000	12,000
Public relations	-	-	-	-	35,000
Insurance	26,470	30,000	22,899	22,899	40,000
District management	170,770	200,000	91,254	200,000	200,000
Legal	119,000	132,000	55,192	120,000	160,000
Miscellaneous	10,295	7,500	3,836	7,500	7,500
Election	11,928	50,000	-	-	80,000
Property Management	-	-	34,857	70,000	80,000
Website/ADA Improvements	-	-	-	-	10,000
Contingency	-	25,833	-	-	26,404
Total General and administrative	<u>449,153</u>	<u>567,603</u>	<u>282,153</u>	<u>545,199</u>	<u>765,000</u>
Operations and maintenance					
Street lighting	22,840	30,000	11,560	25,000	30,000
Landscaping	649,469	688,897	209,971	359,956	643,685
Engineering	91,198	26,000	-	6,000	10,000
Fence and sign maintenance	17,690	40,000	7,271	15,000	40,000
Street maintenance	713,774	2,500	-	2,500	150,000
Recreational expense	213,700	375,000	120,653	299,000	535,000
Gated entrance	110,784	142,000	40,263	115,000	112,000
Seasonal lights	59,535	58,000	17,923	40,000	60,350
Snow removal	126,529	250,000	108,138	225,000	250,000
Utilities	94,940	100,000	39,841	80,000	100,000
Total operations and maintenance	<u>2,100,459</u>	<u>1,712,397</u>	<u>555,620</u>	<u>1,167,456</u>	<u>1,931,035</u>
Total expenditures	<u>2,549,612</u>	<u>2,280,000</u>	<u>837,773</u>	<u>1,712,655</u>	<u>2,696,035</u>
TRANSFERS OUT					
Transfers to other fund	-	4,718,000	915,638	932,818	1,920,000
Total expenditures and transfers out requiring appropriation	<u>2,549,612</u>	<u>6,998,000</u>	<u>1,753,411</u>	<u>2,645,473</u>	<u>4,616,035</u>
ENDING FUND BALANCES	<u>\$ 4,991,348</u>	<u>\$ 580,410</u>	<u>\$ 5,833,960</u>	<u>\$ 5,205,662</u>	<u>\$ 3,485,278</u>
EMERGENCY RESERVE	\$ 80,300	\$ 79,900	\$ 77,900	\$ 85,800	\$ 86,900
OPERATIONS RESERVE	500,000	500,000	500,000	500,000	500,000
CAPITAL RESERVE	4,411,048	510	5,256,060	4,619,862	2,898,378
TOTAL RESERVE	<u>\$ 4,991,348</u>	<u>\$ 580,410</u>	<u>\$ 5,833,960</u>	<u>\$ 5,205,662</u>	<u>\$ 3,485,278</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**HERITAGE HILLS METROPOLITAN DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURE DETAILS
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

10/7/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
EXPENDITURES					
Landscaping					
LS Maint - Pest Control	\$ 8,310	\$ 12,000	\$ 2,850	\$ 6,000	\$ -
LS Maint - Irrigation reimbursement	650	650	650	650	-
LS Maint - Tree Maintenance	114,293	-	-	-	-
LS Maint - Irrigation	43,289	65,000	14,868	45,000	60,000
LS Maint - Maint contract	123,675	165,600	82,800	125,000	170,700
LS Maint - Flowers	48,966	-	-	-	-
LS Maint - Misc	113,439	-	-	-	-
LS Maint - Remulching	114,080	-	-	-	-
LS Maint - Trash Bins	-	5,000	-	-	-
LS Maint - Entry way refurbishment	82,767	-	-	-	-
LS Maint - Annual color installation	-	40,206	40,206	40,206	41,450
LS Maint - Japanese beetle/grub	-	4,600	4,600	4,600	4,740
LS Maint - Tree pruning/removal	-	30,000	-	30,000	52,150
LS Maint - Tree care program	-	74,901	14,314	30,000	23,575
LS Maint - Additional turf care	-	38,440	7,860	15,000	31,000
LS Maint - Additional projects	-	18,000	9,323	18,000	18,000
LS Maint - Deep root water trees	-	15,000	7,500	15,000	16,400
LS Maint - Topdress Mulch	-	189,000	-	-	195,000
LS Maint - Mulch annual beds	-	5,500	-	5,500	5,670
LS Maint - Plant Additions on Parkway	-	25,000	25,000	25,000	25,000
Total Landscaping	649,469	688,897	209,971	359,956	643,685
Fence and sign maintenance					
Fence and sign maintenance	17,690	25,000	7,271	15,000	25,000
Fence/sign - Monument	-	15,000	-	-	15,000
Total Fence and sign maintenance	17,690	40,000	7,271	15,000	40,000
Street maintenance					
Streets repairs and maintenance	615,791	-	-	-	96,500
Street - Engineering oversight	97,983	-	-	-	-
Concrete Repairs	-	-	-	-	50,000
Street sweeping	-	2,500	-	2,500	3,500
Total Street maintenance	713,774	2,500	-	2,500	150,000
Recreational expense					
Rec - Century Link	3,921	5,000	1,996	5,000	5,000
Rec - Pool monitoring & repairs	431	25,000	-	-	25,000
Rec - Clubhouse cleaning	2,230	5,000	740	1,500	5,000
Rec - Pool maint/lifeguards	173,283	200,000	114,053	200,000	210,000
Rec - Pool improvements	-	25,000	-	-	25,000
Rec - Tennis court R&M	10,870	30,000	1,085	2,500	30,000
Rec - Misc. building maint & repairs/furniture	2,211	10,000	2,236	5,000	10,000
Rec - Pool repairs & maintenance	6,289	65,000	-	80,000	65,000
Rec - Playground equipment, maintenance & repairs	6,255	10,000	543	5,000	160,000
Rec - Pavilion and Picnic Tables	8,210	-	-	-	-
Total Recreational expense	213,700	375,000	120,653	299,000	535,000
Engineering					
Brick wall study	54,084	-	-	-	-
Clubhouse remodel	28,642	-	-	-	-
Stormwater management	8,112	25,000	-	5,000	10,000
Website	360	1,000	-	1,000	-
Total Engineering	91,198	26,000	-	6,000	10,000
Gated entrance					
Gated Entr-Internet Service	2,988	22,000	6,060	15,000	22,000
GatedEntr-Gate R&M	104,362	50,000	15,595	40,000	50,000
GatedEntr-Security	3,434	20,000	-	20,000	20,000
Security Patrol Services	-	-	-	-	20,000
Gated Entr-Internet upgrades	-	50,000	18,608	40,000	-
Total Gated entrance	110,784	142,000	40,263	115,000	112,000
Street Lighting	22,840	30,000	11,560	25,000	30,000
Seasonal Lights	59,535	58,000	17,923	40,000	60,350
Snow Removal	126,529	250,000	108,138	225,000	250,000
Utilities	94,940	100,000	39,841	80,000	100,000
	\$ 2,100,458	\$ 1,712,397	\$ 555,620	\$ 1,167,456	\$ 1,931,035

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**HERITAGE HILLS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

10/7/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Interest Income	-	-	9,803	9,803	-
Total revenues	-	-	9,803	9,803	-
TRANSFERS IN					
Transfers from other funds	-	4,718,000	915,638	932,818	1,920,000
Total funds available	-	4,718,000	925,441	942,621	1,920,000
EXPENDITURES					
General and Administrative					
Accounting	-	10,000	-	1,500	10,000
District management	-	30,000	-	7,000	30,000
Legal	-	20,000	6,320	15,000	20,000
Capital Projects					
Community improvement	-	100,000	75,000	75,000	200,000
Overlook Park improvements	-	700,000	-	-	400,000
New/replacement trees	-	40,000	-	-	40,000
Brick wall	-	380,000	12,000	12,000	380,000
Gated Entrance - gates	-	100,000	26,755	26,755	100,000
Gated Entrance - cameras	-	100,000	9,600	9,600	20,000
Streets	-	500,000	680,678	680,678	300,000
Engineering - clubhouse remodel	-	300,000	52,909	52,909	300,000
Engineering - other	-	120,000	62,179	62,179	120,000
Total expenditures	-	2,400,000	925,441	942,621	1,920,000
Total expenditures and transfers out requiring appropriation	-	2,400,000	925,441	942,621	1,920,000
ENDING FUND BALANCES	\$ -	\$ 2,318,000	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**HERITAGE HILLS METROPOLITAN DISTRICT
2025 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 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.

**HERITAGE HILLS METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes – (continued)

For property tax collection year 2024, SB22-238 and SB23B-001, SB 24-233, and HB24B-1001 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%		

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 9% 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 4.50%.

Other Income

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

**HERITAGE HILLS METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

Capital Outlay

The District anticipates capital improvements as noted in the Capital Projects Fund.

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 \$500,000.

Capital Reserve

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

This information is an integral part of the accompanying budget.