

# COLLIERS HILL METROPOLITAN DISTRICT NO. 1

## 2022 BUDGET

### SUMMARY OF SIGNIFICANT ASSUMPTIONS

#### Services Provided

In accordance with its Service Plan, Colliers Hill Metropolitan District No. 1, formerly known as Bridgewater Metropolitan District and Daybreak Metropolitan District, (the "District"), was formed to provide the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of public improvements within the property known as "Colliers Hill," which is located in Erie, Colorado. Such public improvements include, but are not limited to, streets, traffic and safety controls, water, storm and sanitary sewer, utilities and parks and recreation improvements.

The Service Plan, as amended in 2017, permits the District to impose a maximum mill levy on the taxable property within its boundaries as a primary source of revenue for the construction and maintenance of public improvements, repayment of debt and operational costs. The Service Plan also provides a total debt issuance limitation in an aggregate principal amount not to exceed \$45,000,000.

On December 11, 2013, the District issued Bond Anticipation Note, Series 2013 in an original aggregate principal amount of \$16,618,100 (the "Series 2013 Subordinate Note") to Community Development Group of Erie, Inc. (the "Developer") in consideration for the public improvements previously funded by the Developer. As of January 1, 2022 the outstanding principal balance of the Series 2013 Subordinate Note is \$6,784,410.

On September 27, 2019, the District issued the (i) Series 2019A, General Obligation Limited Tax Bonds in the aggregate principal amount of \$22,570,000 (the "2019A Senior Bonds"); and (ii) Series 2019B, Subordinate General Obligation Limited Tax Bonds in the aggregate principal amount of \$4,000,000 (the "2019B Subordinate Bonds") for the purposes of (i) refunding all amounts owed to Zions Bancorporation pursuant to the District's Series 2016A, 2016B and 2019 Notes; (ii) refunding a portion of the outstanding Series 2013 Subordinate Note; (iii) funding a debt service reserve fund (for the benefit of the Series 2019A Senior Bonds only); (iv) funding capitalized interest, if any (for the benefit of the Series 2019A Senior Bonds only); and (v) paying costs of issuance in connection with the 2019A Senior Bonds and 2019B Subordinate Bonds.

The District prepares its budget on the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

#### Revenue

##### Ad Valorem Property Tax

The main source of revenue for the District is property taxes. Property taxes are assessed and collected based upon the assessed value of all of the non-exempt property located within the District. The District adopts mill levies for debt service and for operations which, when combined with the District's other sources of revenue, provide sufficient resources to pay the required debt service (if any), capital purchases and the estimated costs of operations for the calendar year.

Pursuant to the Service Plan and the Gallagher Amendment, the maximum mill levy limit increased to 55.663 mills in 2019. The District adopted a mill levy of 52.026 mills for debt service and 3.637 mills for operating expenses in 2022.

The gross total taxable assessed valuation within the District in 2021 was \$29,855,360, an increase of \$3,800,199 from the 2020 valuation.

### **Specific Ownership Tax**

Specific ownership tax revenue is collected on annual motor vehicle registrations within Weld County and is distributed based upon the proportion of property taxes levied within the County during the preceding calendar year. The specific ownership tax revenue is estimated to be 6.00% of the ad valorem property taxes collected in 2022.

### **Expenditures**

#### **Administrative**

Administrative expenditures have been estimated based upon the level of expenditures incurred by the District in prior years.

#### **Capital Outlay**

The District anticipates expenditures of \$125,000 for capital improvements related to the remaining warranty work and acceptance of the constructed improvements in 2022.

#### **Debt Service**

The 2022 budget anticipates that the District will fund its debt service obligations for the Series 2019A Senior Bonds in the amount of \$335,000 in principal and \$989,969 in interest. The District also expects to make interest payments totaling \$291,183 on the Series 2019B Subordinate Bonds in 2022.

### **Reserve Funds**

The District has provided for a reserve equal to \$1,022,261 in 2022. Of this reserve amount, \$1,000,000 is the Surplus Fund balance held by UMB as required for the Series 2019A Bonds and the remaining \$22,261 is a combination of restricted funds for debt service and the emergency reserve balance, which is intended for use on any unanticipated expenditures in 2022. Such emergency reserve is an integral part of the Ending Fund Balance.

### **Leases**

The District has no operating or capital leases.