Preliminary Draft - Subject to Revisions

HERITAGE HILLS METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2027

HERITAGE HILLS METROPOLITAN DISTRICT
SUMMARY
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/16/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 6/30/2026	ESTIMATED 2026	BUDGET 2027
BEGINNING FUND BALANCES	$ 4,937,491	$ 5,052,172	$ 5,180,536	$ 5,180,536	$ 4,945,848
REVENUES					
Property taxes	2,311,950	2,176,138	2,106,024	2,176,364	2,258,563
Specific ownership taxes	178,016	163,210	75,774	151,548	158,099
Interest Income	245,433	180,000	107,261	214,522	170,000
Insurance proceeds	1,911	-	-	-	-
Other Revenue	19,491	10,000	7,642	8,000	10,000
Total revenues	2,756,801	2,529,348	2,296,701	2,550,434	2,596,662
TRANSFERS IN	861,927	1,410,000	200,137	791,240	349,500
Total funds available	8,556,219	8,991,520	7,677,374	8,522,210	7,892,010
EXPENDITURES					
General Fund	1,651,829	2,105,000	760,084	1,993,882	1,771,500
Capital Projects Fund	861,927	1,410,000	200,137	791,240	349,500
Total expenditures	2,513,756	3,515,000	960,221	2,785,122	2,121,000
TRANSFERS OUT	861,927	1,410,000	200,137	791,240	349,500
Total expenditures and transfers out requiring appropriation	3,375,683	4,925,000	1,160,358	3,576,362	2,470,500
ENDING FUND BALANCES	$ 5,180,536	$ 4,066,520	$ 6,517,016	$ 4,945,848	$ 5,421,510
EMERGENCY RESERVE	$ 82,800	$ 75,900	$ 69,000	$ 76,600	$ 77,900
OPERATIONS RESERVE	500,000	500,000	500,000	500,000	500,000
CAPITAL RESERVE	4,597,736	3,490,620	5,948,016	4,369,248	4,843,610
TOTAL RESERVE	$ 5,180,536	$ 4,066,520	$ 6,517,016	$ 4,945,848	$ 5,421,510

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISIONS.

HERITAGE HILLS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/16/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 6/30/2026	ESTIMATED 2026	BUDGET 2027
ASSESSED VALUATION					
Residential - single family	$ 69,275,560	$ 65,157,510	$ 65,157,510	$ 65,157,510	$ 67,590,110
State assessed	5,700	5,600	5,600	5,600	6,100
Personal property	598,400	587,200	587,200	587,200	644,500
Certified Assessed Value	$ 69,879,660	$ 65,750,310	$ 65,750,310	$ 65,750,310	$ 68,240,710
MILL LEVY					
General	33.097	33.097	33.097	33.097	33.097
Total mill levy	33.097	33.097	33.097	33.097	33.097
PROPERTY TAXES					
General	$ 2,312,807	$ 2,176,138	$ 2,176,138	$ 2,176,138	$ 2,258,563
Levied property taxes	2,312,807	2,176,138	2,176,138	2,176,138	2,258,563
Adjustments to actual/rounding	(857)	-	(70,340)	-	-
Refunds and abatements	-	-	226	226	-
Budgeted property taxes	$ 2,311,950	$ 2,176,138	$ 2,106,024	$ 2,176,364	$ 2,258,563
BUDGETED PROPERTY TAXES					
General	**$ 2,311,950**	**$ 2,176,138**	**$ 2,106,024**	**$ 2,176,364**	**$ 2,258,563**
	$ 2,311,950	**$ 2,176,138**	**$ 2,106,024**	**$ 2,176,364**	**$ 2,258,563**

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISIONS.

HERITAGE HILLS METROPOLITAN DISTRICT
GENERAL FUND
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/16/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 6/30/2026	ESTIMATED 2026	BUDGET 2027
BEGINNING FUND BALANCES	$ 4,937,491	$ 5,052,172	$ 5,180,536	$ 5,180,536	$ 4,945,848
REVENUES					
Property taxes	2,311,950	2,176,138	2,106,024	2,176,364	2,258,563
Specific ownership taxes	178,016	163,210	75,774	151,548	158,099
Interest Income	245,433	180,000	107,261	214,522	170,000
Other Revenue	19,491	10,000	7,642	8,000	10,000
Insurance proceeds	1,911	-	-	-	-
Total revenues	2,756,801	2,529,348	2,296,701	2,550,434	2,596,662
Total funds available	7,694,292	7,581,520	7,477,237	7,730,970	7,542,510
EXPENDITURES					
General and administrative					
Accounting	63,794	75,000	35,936	58,000	61,000
Auditing	6,996	7,000	7,314	7,314	7,500
County Treasurer's Fee	34,709	32,642	31,593	32,645	33,878
Directors' fees	6,300	7,500	2,700	6,000	7,500
Dues and Membership	1,650	2,000	1,238	1,238	2,000
Public relations	11,422	35,000	4,585	10,000	20,000
Insurance	25,177	28,000	28,560	28,560	30,000
District management	79,737	90,000	43,107	90,000	80,000
Legal	128,812	140,000	67,330	130,000	120,000
Miscellaneous	8,054	7,500	7,396	14,000	10,000
Election	28,657	-	-	-	30,000
Property Management	85,134	85,000	45,773	92,000	80,000
Website	2,038	5,000	1,807	2,500	2,000
Contingency	-	15,953	-	-	17,372
Total General and administrative	482,480	530,595	277,339	472,257	501,250
Operations and maintenance					
Street lighting	10,992	20,000	11,864	27,000	25,000
Landscaping	382,260	469,905	134,425	622,725	351,000
Engineering	1,223	5,000	1,136	2,000	2,250
Fence and sign maintenance	21,050	15,000	1,320	3,000	5,000
Street maintenance	74,763	165,000	6,065	63,900	91,000
Recreational expense	230,785	247,000	135,828	223,500	221,000
Gated entrance	145,969	196,000	119,975	240,500	160,000
Snow removal	114,098	250,000	20,479	140,000	200,000
Utilities	125,955	130,000	35,373	120,000	135,000
Seasonal lights	62,254	76,500	16,280	79,000	80,000
	1,169,349	1,574,405	482,745	1,521,625	1,270,250
Total expenditures	1,651,829	2,105,000	760,084	1,993,882	1,771,500
TRANSFERS OUT					
Transfers to other fund	861,927	1,410,000	200,137	791,240	349,500
Total expenditures and transfers out requiring appropriation	2,513,756	3,515,000	960,221	2,785,122	2,121,000
ENDING FUND BALANCES	$ 5,180,536	$ 4,066,520	$ 6,517,016	$ 4,945,848	$ 5,421,510
EMERGENCY RESERVE	$ 82,800	$ 75,900	$ 69,000	$ 76,600	$ 77,900
OPERATIONS RESERVE	500,000	500,000	500,000	500,000	500,000
CAPITAL RESERVE	4,597,736	3,490,620	5,948,016	4,369,248	4,843,610
TOTAL RESERVE	$ 5,180,536	$ 4,066,520	$ 6,517,016	$ 4,945,848	$ 5,421,510

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISIONS.

HERITAGE HILLS METROPOLITAN DISTRICT
GENERAL FUND
SCHEDULE OF EXPENDITURE DETAILS
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/16/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 6/30/2026	ESTIMATED 2026	BUDGET 2027
EXPENDITURES					
Landscaping					
LS Maint - Irrigation	$ 24,474	$ 40,000	$ 16,513	$ 50,000	$ 35,000
LS Maint - Maint contract	170,720	175,800	105,931	221,000	160,000
LS Maint - Remulching	-	-	-	117,157	25,000
LS Maint - Annual color installation	44,450	42,700	-	-	15,000
LS Maint - Japanese beetle/grub	-	4,880	-	1,133	5,000
LS Maint - Tree pruning/removal	32,414	50,000	-	20,000	25,000
LS Maint - Tree care program	30,300	69,525	-	60,000	39,000
LS Maint - Additional turf care	41,130	31,000	2,046	34,435	10,000
LS Maint - Additional projects	22,371	18,000	1,735	100,000	15,000
LS Maint - Deep root water trees	16,400	17,000	8,200	19,000	22,000
LS Maint - Topdress Mulch	-	15,000	-	-	-
LS Maint - Mulch annual beds	-	6,000	-	-	-
Total Landscaping	382,259	469,905	134,425	622,725	351,000
Fence and sign maintenance					
Fence and sign maintenance	21,050	-	-	-	-
Fence/sign - Monument	-	15,000	1,320	3,000	5,000
Total Fence and sign maintenance	21,050	15,000	1,320	3,000	5,000
Street maintenance					
Street Repair and Maintenance	72,193	85,000	5,750	55,000	60,000
Street Light Painting	-	13,000	-	-	13,000
Concrete Repairs	2,570	60,000	315	5,000	10,000
Street sweeping	-	7,000	-	3,900	8,000
Total Street maintenance	74,763	165,000	6,065	63,900	91,000
Recreational expense					
Rec - Century Link	1,056	-	-	-	-
Rec - Pool monitoring & repairs	-	10,000	1,276	2,000	10,000
Rec - Clubhouse cleaning	1,010	5,000	2,813	5,000	5,000
Rec - Pool maint/lifeguards	223,469	172,000	122,742	175,500	180,000
Rec - Pool Chemicals	-	30,000	-	13,000	18,000
Rec - Tennis court R&M	2,680	10,000	4,532	6,000	5,000
Rec - Misc. building maint & repairs/furniture	2,571	5,000	-	1,000	3,000
Rec - Pool repairs & maintenance	-	15,000	4,465	21,000	-
Total Recreational expense	230,786	247,000	135,828	223,500	221,000
Engineering					
Stormwater management	1,223	5,000	1,136	2,000	2,250
Total Engineering	1,223	5,000	1,136	2,000	2,250
Gated entrance					
Gated Entr-Internet Service	15,225	17,000	5,768	15,000	17,000
GatedEntr-Gate R&M	91,761	65,000	36,300	75,000	55,000
GatedEntr-Security	38,983	100,000	77,628	150,000	-
GatedEntr-Oversized Vehicle Access	-	14,000	280	500	3,000
GatedEntr-Community by MyQ App	-	-	-	-	30,000
GatedEntr-Community by Flock Cameras	-	-	-	-	-
GatedEntr-Support	-	-	-	-	55,000
Total Gated entrance	145,969	196,000	119,976	240,500	160,000
Street Lighting	10,992	20,000	11,864	27,000	25,000
Seasonal Lights	62,254	76,500	16,280	79,000	80,000
Snow Removal	114,098	250,000	20,479	140,000	200,000
Utilities	125,955	130,000	35,372	120,000	135,000
	$ 1,169,349	**$ 1,574,405**	**$ 482,745**	**$ 1,521,625**	**$ 1,270,250**

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISIONS.

HERITAGE HILLS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31,

10/16/26

	ACTUAL 2025	BUDGET 2026	ACTUAL 6/30/2026	ESTIMATED 2026	BUDGET 2027
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ -
REVENUES					
Total revenues	-	-	-	-	-
TRANSFERS IN					
Transfers from other funds	861,927	1,410,000	200,137	791,240	349,500
Total funds available	861,927	1,410,000	200,137	791,240	349,500
EXPENDITURES					
General and Administrative					
Accounting	9,047	10,000	-	-	-
District management	108,472	10,000	-	-	-
Legal	368	10,000	-	-	5,000
Capital Projects					
Community improvement	183,206	20,000	5,082	10,000	-
Median Project - Phase 2	-	85,000	-	75,000	27,500
Rock Installation	-	150,000	-	-	-
Landscaping	-	-	6,240	6,240	8,500
Overlook Park improvements	56,916	400,000	12,868	350,000	-
Overlook Park Playgrounds	-	75,000	-	-	10,000
Fence Replacement	-	25,000	-	-	5,000
Willow Creek Trail	-	100,000	24,986	170,000	20,000
New/replacement trees	-	40,000	-	-	20,000
Brick wall	1,946	30,000	18,458	30,000	120,000
Gated Entrance - gates	61,672	25,000	-	-	-
Gated Entrance - cameras	21,672	10,000	-	-	3,500
Streets	297,966	300,000	123,217	130,000	110,000
Engineering - other	120,662	120,000	9,286	20,000	20,000
Total expenditures	861,927	1,410,000	200,137	791,240	349,500
Total expenditures and transfers out requiring appropriation	861,927	1,410,000	200,137	791,240	349,500
ENDING FUND BALANCES	$ -	$ -	$ -	$ -	$ -

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISIONS.

HERITAGE HILLS METROPOLITAN DISTRICT
2027 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.

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.

Revenues - (continued)

Property Taxes – (continued)

For property tax collection year 2027, HB24B-1001 set the assessment rates as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.80%		Renewable Energy Land	26.00%		Single-Family Residential	10% capped at $70,000
Multi-Family Residential	6.80%		Vacant Land	26.00%			
Commercial	25.00%		Personal Property	26.00%			
Industrial	26.00%		State Assessed	26.00%			
Lodging	26.00%		Oil & Gas Production	87.50%			
Agricultural Land	25.00%		Oil & Gas Pipelines	26.00%			

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 7.0% 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 3.5%.

Other Income

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

Expenditures

Administrative and Operating Expenditures

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. Estimated costs for these expenditures are based upon prior year's costs, current year's scope of services, as well as negotiated maintenance contracts.

Expenditures – (continued)

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.