

HORSE CREEK METROPOLITAN DISTRICT

2026 Budget Message

Introduction

The District was formed in 2004 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements including water, streets, and sanitary sewer. All improvements constructed by the District have been conveyed to other governmental entities for perpetual maintenance.

The 2026 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2026 fiscal year based on available revenues. This budget provides for the annual debt service of the District's debt as well as the general operation of the District.

The District's assessed value decreased to \$19,994,030 in 2025 from \$20,806,330 in 2024. The District's mill levy was certified at 14.500 mills for taxes to be collected in the 2025 fiscal year with 12.000 mills dedicated to the Debt Service Fund and 2.500 mills dedicated to the General Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60-days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government.

Debt Service Fund is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. On July 20, 2021 the District refunded the Series 2013 General Obligation Refunding Bonds by entering into a Taxable (Converting to Tax-Exempt) Promissory Note, Series 2021. Below is a summary of the District's long-term debt under the Promissory Note, Series 2021.

Summary of Debt Outstanding

Taxable (Converting to Tax-Exempt) Promissory Note				
Series 2021				
\$3,730,000				
Year	Principal	Interest	Annual Total	
2025	\$ 145,000	\$ 87,582	\$ 232,583	
2026	155,000	83,740	238,740	
2027	155,000	79,632	234,632	
2028	165,000	75,525	240,525	
2029-2033	975,000	305,810	1,280,810	
2034-2038	1,210,000	164,697	1,374,697	
2039-2040	500,000	19,742	519,742	
Total	\$3,305,000	\$816,728	\$4,121,729	

Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

Property Tax Revenue Growth Limitation (5.25%)

Pursuant to SB24-233 and HB24B-1001, beginning with the 2026 budget year, the District is subject to a statutory 5.25% Property Tax Revenue Growth Limitation. This limitation restricts annual growth in the District's qualified property tax revenue, which excludes revenue attributable to voter-approved debt service, new construction, changes in valuation due to law, and other statutorily excluded categories. The District has evaluated this limitation and prepared the budget in compliance with the allowable revenue growth. Debt service mill levies are excluded from the 5.25% limitation and continue to be levied as necessary to meet bond obligations.

HORSE CREEK METROPOLITAN DISTRICT
Assessed Value, Property Tax and Mill Levy Information

	2024 Actual	2025 Adopted Budget	2026 Adopted Budget
Assessed Valuation	\$ 20,812,060	\$ 20,806,330	\$ 19,994,030
Mill Levy			
General Fund	4.500	2.500	2.500
Debt Service Fund	18.593	12.000	12.000
Total Mill Levy	23.093	14.500	14.500
Property Taxes			
General Fund	\$ 93,654	\$ 52,016	\$ 49,985
Debt Service Fund	386,959	249,676	239,928
Temporary Mill Levy Reduction	-	-	-
Actual/Budgeted Property Taxes	\$ 480,613	\$ 301,692	\$ 289,913

HORSE CREEK METROPOLITAN DISTRICT

GENERAL FUND

2026 Adopted Budget

with 2024 Actual, 2025 Adopted Budget and 2025 Estimated

	2024 Actual	2025 Adopted Budget	2025 Estimated	2026 Adopted Budget
BEGINNING FUND BALANCE	\$ 170,244	\$ 228,544	\$ 244,163	\$ 261,028
REVENUE				
Property Tax Revenue	94,343	52,016	52,016	49,985
Specific Ownership Taxes	7,015	3,121	3,121	2,999
Interest Income	8,571	10,000	10,000	10,000
Total Revenue	109,929	65,137	65,137	62,984
Total Funds Available	<u>280,173</u>	<u>293,681</u>	<u>309,300</u>	<u>324,012</u>
EXPENDITURES				
Accounting	11,804	14,800	14,800	14,800
District Management	9,393	9,900	9,900	9,900
Audit	4,800	5,500	4,800	5,000
Director's Fees	200	1,200	1,000	1,000
Insurance/SDA Dues	3,419	3,900	3,900	4,000
Legal	4,015	10,000	10,000	10,000
Election	-	1,000	1,000	1,000
Miscellaneous	871	2,000	2,000	2,000
Payroll Taxes	92	92	92	92
Treasurer's Fees	1,416	780	780	750
Contingency	-	5,000	-	10,000
Total Expenditures	<u>36,010</u>	<u>54,172</u>	<u>48,272</u>	<u>58,542</u>
TRANSFERS AND OTHER SOURCES (USES)				
Emergency Reserve	-	(1,954)	-	(1,890)
Total Expenditures Requiring Appropriation	<u>36,010</u>	<u>56,126</u>	<u>48,272</u>	<u>60,431</u>
ENDING FUND BALANCE	<u>\$ 244,163</u>	<u>\$ 237,555</u>	<u>\$ 261,028</u>	<u>\$ 263,581</u>

HORSE CREEK METROPOLITAN DISTRICT

DEBT SERVICE FUND
2026 Adopted Budget
with 2024 Actual, 2025 Adopted Budget and 2025 Estimated

	2024 Actual	2025 Adopted Budget	2025 Estimated	2026 Adopted Budget
BEGINNING FUND BALANCE	\$ 263,506	\$ 555,627	\$ 560,942	\$ 611,071
REVENUE				
Property Tax Revenue	484,148	249,676	249,676	239,928
Specific Ownership Taxes	36,000	14,981	14,981	14,396
Interest Income	<u>20,978</u>	<u>22,000</u>	<u>22,000</u>	<u>20,000</u>
Total Revenue	541,126	286,657	286,657	274,324
Total Funds Available	804,632	842,284	847,599	885,395
EXPENDITURES				
Loan Principal	145,000	145,000	145,000	155,000
Loan Interest	91,425	87,583	87,583	83,740
Paying Agent-Remarket Fees	-	2,000	-	-
Treasurer's Fees	7,266	3,745	3,745	3,599
Bank Fees	-	200	200	200
Contingency	-	3,500	-	3,500
Total Expenditures	243,691	242,028	236,528	246,039
Total Expenditures Requiring Appropriation	243,691	242,028	236,528	246,039
ENDING FUND BALANCE	\$ 560,942	\$ 600,255	\$ 611,071	\$ 639,356