

**HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**2022**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2022 budget for the Highlands Metropolitan District No. 1.

The Highlands Metropolitan District No. 1 has adopted budgets for three funds, a General Fund to provide for the payment of general operating expenditures; a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the District and a Debt Service Fund to account for the repayment of principal and interest on the outstanding general obligation bonds.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications, and public hearing.

The primary source of revenue for the district in 2022 will be developer advances and bond proceeds. The district intends to impose a 50.000 mill levy on the property within the district for 2022, of which 5.000 mills will be dedicated to the General Fund and the balance of 45.000 mills will be allocated to the Debt Service Fund.

**Highlands Metropolitan District No.1**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2022**

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>7/31/2021</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ -	\$ 52,602	\$ 63,610	\$ 63,610	\$ 197,313
Revenues:					
Property taxes	1,468	3,009	3,016	3,016	339
Tif to district	80,083	183,215	180,410	180,410	21,421
Specific ownership taxes	4,542	215	2,718	5,000	28
Developer advances	46,527	-	-	-	-
Other income	2	4,400	1	2	32
	<u>132,622</u>	<u>190,839</u>	<u>186,145</u>	<u>188,428</u>	<u>21,820</u>
Total revenues					
	<u>132,622</u>	<u>243,441</u>	<u>249,755</u>	<u>252,038</u>	<u>219,133</u>
Total funds available					
Expenditures:					
Audit	-	3,750	-	-	5,000
Accounting	7,183	7,000	8,439	7,000	7,000
Legal	48,739	45,000	15,187	45,000	25,000
Election	-	-	-	-	5,000
Insurance & bonds	2,653	3,500	2,960	2,653	3,500
Miscellaneous	12	600	292	50	600
Planning and engineering	9,202	15,000	-	-	-
Treasurer's fee	22	45	45	22	5
TIF tax	1,201	-	-	-	-
Contingency	-	166,299	-	-	171,645
Emergency reserve (3%)	-	2,247	-	-	1,383
	<u>69,012</u>	<u>243,441</u>	<u>26,923</u>	<u>54,725</u>	<u>219,133</u>
Total expenditures					
	<u>69,012</u>	<u>243,441</u>	<u>26,923</u>	<u>54,725</u>	<u>219,133</u>
Ending fund balance	<u>\$ 63,610</u>	<u>\$ -</u>	<u>\$ 222,832</u>	<u>\$ 197,313</u>	<u>\$ -</u>
Current Year Total		2,836,010			4,417,270
Current year TIF		2,790,188			4,349,497
Assessed valuation		<u>\$ 45,822</u>			<u>\$ 67,773</u>
Mill Levy		<u>65.664</u>			<u>5.000</u>

**Highlands Metropolitan District No.1**  
**Adopted Budget**  
**Capital Projects Fund**  
**For the Year ended December 31, 2022**

	Actual 2020	Adopted Budget 2021	Actual 7/31/2021	Estimate 2021	Adopted Budget 2022
Beginning fund balance	\$ -	\$ -	\$ 85,700	\$ 85,700	\$ -
Revenues:					
Interest income	-	-	202	500	-
Developer advances	5,136,588		1,576,150	1,576,150	
Sales Tax	85,700	-	-	-	-
Bond proceeds	-	6,650,000	10,228,083	10,228,083	-
Bond proceeds subordinate	-	1,553,000	-	-	-
Total revenues	<u>5,222,288</u>	<u>8,203,000</u>	<u>11,804,435</u>	<u>11,804,733</u>	<u>-</u>
Total funds available	<u>5,222,288</u>	<u>8,203,000</u>	<u>11,890,135</u>	<u>11,890,433</u>	<u>-</u>
Expenditures:					
Issuance costs	-	479,590	585,520	585,520	-
Capital expenditures	5,136,588	6,662,125	1,576,150	2,694,818	-
Repay developer advances	-	-	6,341,555	6,341,555	-
Repay developer advances - Vista	-	-	983,604	983,604	-
Transfer to Debt Service	-	1,061,285	1,284,936	1,284,936	-
Total expenditures	<u>5,136,588</u>	<u>8,203,000</u>	<u>10,771,765</u>	<u>11,890,433</u>	<u>-</u>
Ending fund balance	<u>\$ 85,700</u>	<u>\$ -</u>	<u>\$ 1,118,370</u>	<u>\$ -</u>	<u>\$ -</u>

**Highlands Metropolitan District No.1**  
**Adopted Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2022**

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>07/31/21</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 1,100,641
Revenues:					
Property taxes	-	-	-	-	3,050
TIF	-	-	-	-	192,791
Specific ownership taxes	-	-	-	-	214
Sales Tax	-	-	70,949	140,000	153,185
Interest income	-	-	244	500	-
Transfer from Capital Projects	-	1,061,285	1,284,936	1,284,936	-
	<u>-</u>	<u>1,061,285</u>	<u>1,356,129</u>	<u>1,425,436</u>	<u>153,185</u>
Total revenues	-	1,061,285	1,356,129	1,425,436	153,185
Total funds available	<u>-</u>	<u>1,061,285</u>	<u>1,356,129</u>	<u>1,425,436</u>	<u>1,253,826</u>
Expenditures:					
Interest	-	349,125	91,370	319,795	456,850
Trustee Fees	-	-	5,000	5,000	5,000
Treasurer fees	-	-	-	-	46
Miscellaneous	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	-	349,125	96,370	324,795	461,896
Ending fund balance	<u>\$ -</u>	<u>\$ 712,160</u>	<u>\$ 1,259,759</u>	<u>\$ 1,100,641</u>	<u>\$ 791,930</u>
Current Year Total		2,836,010			4,417,270
Current year TIF		2,790,188			4,349,497
Assessed valuation		<u>\$ 45,822</u>			<u>\$ 67,773</u>
Mill Levy		<u>-</u>			<u>45.000</u>