

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2023

The Board of Directors of Highlands Metropolitan District No. 1 (the “**Board**”), City of Broomfield, Broomfield County, Colorado (the “**District**”), held a regular meeting, via teleconference on October 20, 2022, at the hour of 11:00 A.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank]

NOTICE AS TO PROPOSED 2023 BUDGET

**NOTICE OF PUBLIC HEARING ON THE AMENDED 2022 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE PROPOSED 2023 BUDGET**

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the HIGHLANDS METROPOLITAN DISTRICT NO. 1 (the "District"), will hold a meeting at via teleconference on October 20, 2022 at 11:00 A.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2023 proposed budget (the "Proposed Budget"). The necessity may also arise for an amendment to the 2022 budget (the "Amended Budget"). This meeting can be joined using the following teleconference information:

Join Zoom Meeting
https://us06web.zoom.
us/j/85868211801?pwd=VUdpNnd4ZlVEU1dWlJRSkdHdzBMQT09
Meeting ID: 858 6821 1801
Passcode: 229798
Call-In Number: 720-707-2699

NOTICE IS FURTHER GIVEN that the Proposed Budget and Amended Budget (if applicable) have been submitted to the District. A copy of the Proposed Budget and Amended Budget are on file in the office of Simmons & Wheeler, 304 Inverness Way S #490, Englewood, CO 80112, where the same are open for public inspection. Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to final adoption of the Proposed Budget or the Amended Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.
BY ORDER OF THE BOARD OF DIRECTORS:

HIGHLANDS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Published: Broomfield Enterprise October 16, 2022-1927478

Prairie Mountain Media, LLC

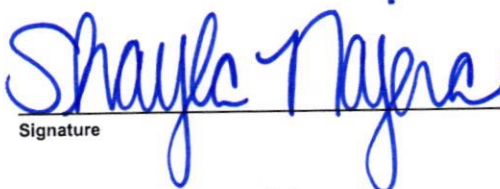
PUBLISHER'S AFFIDAVIT

**County of Broomfield
State of Colorado**

The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:


1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Broomfield Enterprise*.
2. The *Broomfield Enterprise* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Broomfield County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Broomfield Enterprise* in Broomfield County on the following date(s):

Oct 16, 2022


Signature

Subscribed and sworn to me before me this

17th day of October, 2022


Notary Public

MELISSA L NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20064049936
MY COMMISSION EXPIRES DECEMBER 11, 2022

(SEAL)

Account: 1051175
Ad Number: 1927478
Fee: \$55.88

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 5.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2023 budget year, there is hereby levied a tax of 45.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Broomfield County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of Page Intentionally Left Blank]


ADOPTED THIS OCTOBER 20, 2022.

DISTRICT:

**HIGHLANDS METROPOLITAN DISTRICT
NO. 1**, a quasi-municipal corporation and political
subdivision of the State of Colorado

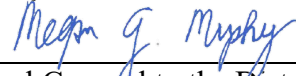
By: 
Jose-Luis Montiel (Oct 27, 2022 20:05 MDT)
Officer of the District

Attest:

By: 
Kathryn Jewkes (Oct 27, 2022 13:58 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law


General Counsel to the District

STATE OF COLORADO
COUNTY OF BROOMFIELD
HIGHLANDS METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Thursday, October 20, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27 day of
October, 2022.


Kathryn Jewkes (Oct 27, 2022 13:58 MDT)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

HIGHLANDS METROPOLITAN DISTRICT NO. 1
2023
BUDGET MESSAGE

Attached please find a copy of the adopted 2023 budget for the Highlands Metropolitan District No. 1.

The Highlands Metropolitan District No. 1 has adopted budgets for three separate 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 2023 will be tax revenue. The district intends to impose a 50.000 mill levy on the property within the district for 2023, 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, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>3/31/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 63,610	\$ 197,313	\$ 207,094	\$ 207,094	\$ 184,568
Revenues:					
Property taxes	3,016	339	272	339	406
Tif to district	180,410	21,421	10,006	21,400	27,763
Specific ownership taxes	4,790	28	263	500	32
Other income	<u>23</u>	<u>32</u>	<u>76</u>	<u>100</u>	<u>32</u>
Total revenues	<u>188,239</u>	<u>21,820</u>	<u>10,617</u>	<u>22,339</u>	<u>28,233</u>
Total funds available	<u>251,849</u>	<u>219,133</u>	<u>217,711</u>	<u>229,433</u>	<u>212,801</u>
Expenditures:					
Audit	5,000	5,000	-	5,000	5,000
Accounting	12,306	7,000	1,713	7,000	7,000
Legal	22,861	25,000	7,137	25,000	25,000
Election	-	5,000	-	5,000	5,000
Insurance & bonds	2,960	3,500	2,636	2,653	3,500
Miscellaneous	1,583	600	210	210	600
Treasurer's fee	45	5	2	2	6
Contingency	-	171,645	-	-	165,312
Emergency reserve (3%)	<u>-</u>	<u>1,383</u>	<u>-</u>	<u>-</u>	<u>1,383</u>
Total expenditures	<u>44,755</u>	<u>219,133</u>	<u>11,698</u>	<u>44,865</u>	<u>212,801</u>
Ending fund balance	<u>\$ 207,094</u>	<u>\$ -</u>	<u>\$ 206,013</u>	<u>\$ 184,568</u>	<u>\$ -</u>
Current Year Total		4,417,270			5,718,380
Current year TIF		4,349,497			5,637,247
Assessed valuation		<u>\$ 67,773</u>			<u>\$ 81,133</u>
Mill Levy		<u>5.000</u>			<u>5.000</u>

Highlands Metropolitan District No.1
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2023

	Actual 2021	Adopted Budget 2022	Actual 3/31/2022	Estimate 2022	Adopted Budget 2023
Beginning fund balance	\$ 81,533	\$ -	\$ 1,114,330	\$ 1,114,330	\$ 1,114,830
Revenues:					
Interest income	330	-	380	500	-
Developer advances	1,576,150	-	-	-	-
Bond proceeds	10,025,000	-	-	-	-
Bond proceeds subordinate	203,083	-	-	-	-
Total revenues	<u>11,804,563</u>	<u>-</u>	<u>380</u>	<u>500</u>	<u>-</u>
Total funds available	<u>11,886,096</u>	<u>-</u>	<u>1,114,710</u>	<u>1,114,830</u>	<u>1,114,830</u>
Expenditures:					
Issuance costs	585,520	-	-	-	-
Capital expenditures	1,576,150	-	-	-	1,114,830
Repay developer advances	6,341,556	-	-	-	-
Repay developer advances - Vista	983,604	-	-	-	-
Transfer to Debt Service	1,284,936	-	-	-	-
Total expenditures	<u>10,771,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,114,830</u>
Ending fund balance	<u>\$ 1,114,330</u>	<u>\$ -</u>	<u>\$ 1,114,710</u>	<u>\$ 1,114,830</u>	<u>\$ -</u>

Highlands Metropolitan District No.1
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>03/31/22</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ -	\$ 1,100,641	\$ 1,103,918	\$ 1,103,918	\$ 795,522
Revenues:					
Property taxes	-	3,050	1,562	3,050	3,651
TIF	-	192,791	90,053	189,775	249,871
Specific ownership taxes	-	214	2,369	8,000	256
Sales Tax	143,400	153,185	39,027	153,000	153,185
Interest income	377	-	369	500	-
Transfer from Capital Projects	<u>1,284,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,428,713</u>	<u>153,185</u>	<u>39,396</u>	<u>153,500</u>	<u>153,185</u>
Total funds available	<u>1,428,713</u>	<u>1,253,826</u>	<u>1,143,314</u>	<u>1,257,418</u>	<u>948,707</u>
Expenditures:					
Interest	319,795	456,850	-	456,850	456,850
Principal	-	-	-	-	35,000
Trustee Fees	5,000	5,000	-	5,000	5,000
Treasurer fees	<u>-</u>	<u>46</u>	<u>23</u>	<u>46</u>	<u>55</u>
Total expenditures	<u>324,795</u>	<u>461,896</u>	<u>23</u>	<u>461,896</u>	<u>496,905</u>
Ending fund balance	<u>\$ 1,103,918</u>	<u>\$ 791,930</u>	<u>\$ 1,143,291</u>	<u>\$ 795,522</u>	<u>\$ 451,802</u>
Current Year Total		4,417,270			5,718,380
Current year TIF		<u>4,349,497</u>			<u>5,637,247</u>
Assessed valuation		<u>\$ 67,773</u>			<u>\$ 81,133</u>
Mill Levy		<u>45.000</u>			<u>45.000</u>