

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of Highlands Metropolitan District No. 1 (the “**Board**”), City and County of Broomfield, Colorado (the “**District**”), held a public hearing on the proposed 2024 budget and regular meeting, via teleconference on October 11, 2024 at the hour of 10:00 a.m. Subsequently, the Board held a special meeting, via teleconference, on November 29, 2023 at the hour of 2:00 p.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 2024 BUDGET

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2024 BUDGET AND

NOTICE OF PUBLIC HEARING ON THE AMENDED 2023 BUDGET
The Board of Directors (the "Board") of the HIGHLANDS METROPOLITAN DISTRICT NO. 1 (the "District"), will hold a public hearing via teleconference on October 11, 2023, at 10:00 AM, to consider adoption of the District's proposed 2024 budget (the "Proposed Budget"), and, if necessary, adoption of an amendment to the 2023 budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:

https://us06web.zoom.us/j/85216612029?pwd=NmxxUR5YWJ5Z3VjZHI0Rm1mSkdYdz09
Meeting ID: 852 1661 2029
Passcode: 756530
Call-in Number: 1-720-707-2699

The Proposed Budget and Amended Budget are available for inspection by the public at the offices of Simmons & Wheeler, 304 Inverness Way S #490, Englewood, CO 80112

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.

The agenda for any meeting may be obtained at [insert District's website, if available] or 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 1, 2023-2005996

Prairie Mountain Media, LLC

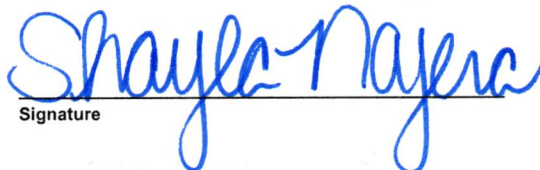
PUBLISHER'S AFFIDAVIT

**County of Broomfield
State of Colorado**

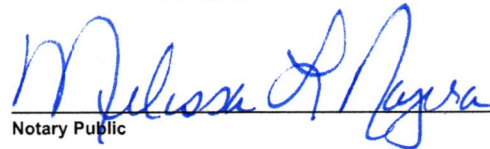
The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

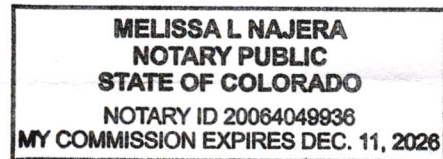
1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Broomfield Enterprise*.
2. The *Broomfield Enterprise* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Broomfield County and 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 1, 2023


Signature

Subscribed and sworn to me before me this 2nd day of October, 2023.


Notary Public



(SEAL)

Account: 1051175
Ad Number: 2005996
Fee: \$47.08

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 2024. 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 2024 budget year, there is hereby levied a tax of 4.000 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 2024 budget year, there is hereby levied a tax of 46.774 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 2024 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 2024 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 NOVEMBER 29, 2023.

DISTRICT:

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

By: 
Jose-Luis Montiel (Dec 7, 2023 09:39 CST)
Officer of the District

Attest:

By: *Kathryn Jewkes*
Kathryn Jewkes (Dec 15, 2023 15:07 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Kristi B. Tomplene
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 Wednesday, November 29, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 15 day of December, 2023.

Kathryn Jewkes
Kathryn Jewkes (Dec 15, 2023 15:07 MST)
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

HIGHLANDS METROPOLITAN DISTRICT NO. 1
2024
BUDGET MESSAGE

Attached please find a copy of the adopted 2024 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 2024 will be tax revenue. The district intends to impose a 50.774 mill levy on the property within the district for 2024, of which 4.000 mills will be dedicated to the General Fund and the balance of 46.774 mills will be allocated to the Debt Service Fund.

Highlands Metropolitan District No.1
Adopted Budget
General Fund
For the Year ended December 31, 2024

| | Actual <u>2022</u> | Adopted Budget <u>2023</u> | Actual <u>6/30/2023</u> | Estimate <u>2023</u> | Adopted Budget <u>2024</u> |
|--------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| Beginning fund balance | \$ 207,094 | \$ 184,568 | \$ 184,128 | \$ 184,128 | \$ 170,691 |
| Revenues: | | | | | |
| Property taxes | 367 | 406 | 401 | 406 | 414 |
| Tif to district | 21,141 | 27,763 | 27,413 | 27,763 | 31,607 |
| Specific ownership taxes | 1,095 | 32 | 712 | 1,400 | 33 |
| Other income | <u>3,361</u> | <u>32</u> | <u>3,120</u> | <u>4,000</u> | <u>27</u> |
| Total revenues | <u>25,964</u> | <u>28,233</u> | <u>31,646</u> | <u>33,569</u> | <u>32,081</u> |
| Total funds available | <u>233,058</u> | <u>212,801</u> | <u>215,774</u> | <u>217,697</u> | <u>202,772</u> |
| Expenditures: | | | | | |
| Audit | 5,000 | 5,000 | - | 5,000 | 5,000 |
| Accounting | 6,897 | 7,000 | 4,894 | 9,500 | 7,000 |
| Legal | 33,537 | 25,000 | 10,988 | 25,000 | 25,000 |
| Election | - | 5,000 | 2,985 | 3,000 | 5,000 |
| Insurance & bonds | 3,131 | 3,500 | 3,180 | 3,400 | 3,500 |
| Miscellaneous | 359 | 600 | 314 | 500 | 600 |
| Website | - | - | 300 | 600 | - |
| Treasurer's fee | 6 | 6 | 6 | 6 | 6 |
| Contingency | - | 165,312 | - | - | 155,283 |
| Emergency reserve (3%) | <u>-</u> | <u>1,383</u> | <u>-</u> | <u>-</u> | <u>1,383</u> |
| Total expenditures | <u>48,930</u> | <u>212,801</u> | <u>22,667</u> | <u>47,006</u> | <u>202,772</u> |
| Ending fund balance | <u>\$ 184,128</u> | <u>\$ -</u> | <u>\$ 193,107</u> | <u>\$ 170,691</u> | <u>\$ -</u> |
| Current Year Total | | 5,718,380 | | | 8,125,480 |
| Current year TIF | | <u>5,637,247</u> | | | <u>8,022,066</u> |
| Assessed valuation | | <u>\$ 81,133</u> | | | <u>\$ 103,414</u> |
| Mill Levy | | <u>5.000</u> | | | <u>4.000</u> |

Highlands Metropolitan District No.1
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2024

| | Actual 2022 | Adopted Budget 2023 | Actual 6/30/2023 | Estimate 2023 | Adopted Budget 2024 |
|----------------------------------|---------------------|---------------------------|---------------------|-------------------|---------------------------|
| Beginning fund balance | <u>\$ 1,114,330</u> | <u>\$ 1,114,830</u> | <u>\$ 454,852</u> | <u>\$ 454,852</u> | <u>\$ 310,291</u> |
| Revenues: | | | | | |
| Interest income | 17,114 | - | 7,541 | 15,000 | - |
| Developer advances | - | - | - | - | - |
| Bond proceeds | - | - | - | - | - |
| Bond proceeds subordinate | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>17,114</u> | <u>-</u> | <u>7,541</u> | <u>15,000</u> | <u>-</u> |
| Total funds available | <u>1,131,444</u> | <u>1,114,830</u> | <u>462,393</u> | <u>469,852</u> | <u>310,291</u> |
| Expenditures: | | | | | |
| Issuance costs | - | - | - | - | - |
| Capital expenditures | 676,592 | 1,114,830 | 159,561 | 159,561 | 310,291 |
| Repay developer advances | - | - | - | - | - |
| Repay developer advances - Vista | - | - | - | - | - |
| Transfer to Debt Service | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>676,592</u> | <u>1,114,830</u> | <u>159,561</u> | <u>159,561</u> | <u>310,291</u> |
| Ending fund balance | <u>\$ 454,852</u> | <u>\$ -</u> | <u>\$ 302,832</u> | <u>\$ 310,291</u> | <u>\$ -</u> |

Highlands Metropolitan District No.1
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2024

| | Actual <u>2022</u> | Adopted Budget <u>2023</u> | Actual <u>06/30/23</u> | Estimate <u>2023</u> | Adopted Budget <u>2024</u> |
|--------------------------------|-----------------------|----------------------------------|---------------------------|-------------------------|----------------------------------|
| Beginning fund balance | \$ 1,103,918 | \$ 795,522 | \$ 1,036,392 | \$ 1,036,392 | \$ 978,496 |
| Revenues: | | | | | |
| Property taxes | 4,031 | 3,651 | 4,327 | 4,300 | 4,837 |
| TIF | 190,267 | 249,871 | 246,719 | 246,719 | 369,596 |
| Specific ownership taxes | 9,858 | 256 | 6,409 | 13,000 | 339 |
| Sales Tax | 165,986 | 153,185 | 60,416 | 130,000 | 153,185 |
| Interest income | 19,234 | - | 26,107 | 45,000 | - |
| Transfer from Capital Projects | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 389,376 | 406,963 | 343,978 | 439,019 | 527,957 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds available | 1,493,294 | 1,202,485 | 1,380,370 | 1,475,411 | 1,506,453 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditures: | | | | | |
| Interest | 456,850 | 456,850 | 228,425 | 456,850 | 455,450 |
| Principal | - | 35,000 | - | 35,000 | 325,000 |
| Trustee Fees | - | 5,000 | - | 5,000 | 5,000 |
| Treasurer fees | 52 | 55 | 54 | 65 | 73 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | 456,902 | 496,905 | 228,479 | 496,915 | 785,523 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Ending fund balance | <u>\$ 1,036,392</u> | <u>\$ 705,580</u> | <u>\$ 1,151,891</u> | <u>\$ 978,496</u> | <u>\$ 720,930</u> |
| | | | | | |
| Current Year Total | | 5,718,380 | | | 8,125,480 |
| Current year TIF | | <u>5,637,247</u> | | | <u>8,022,066</u> |
| Assessed valuation | | <u>\$ 81,133</u> | | | <u>\$ 103,414</u> |
| | | | | | |
| Mill Levy | | <u>45.000</u> | | | <u>46.774</u> |