

HIGHLANDS METROPOLITAN DISTRICT NO. 1

2023 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Amended and Restated Service Plan for Highlands Metropolitan District No. 1 (the “**District**”), the District is required to provide an annual report to the City and County of Broomfield, Colorado (“**Broomfield**”) with regard to the following matters:

For the year ending December 31, 2023, the District makes the following report:

§32-1-207(3) Statutory Requirements and Service Plan Requirements

1. Boundary changes made

The District did not have any boundary changes in 2023.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

There were no new intergovernmental agreements entered into or terminated in 2023.

3. Access information to obtain a copy of rules and regulations adopted by the board.

The District has not adopted any rules and regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Broomfield County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2023.

5. The status of the construction of public improvements by the District.

The District did not construct any public improvements in 2023. Public improvements to serve the property within the District are being constructed by EVT 7th And Sheridan, LLC.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

No facilities or improvements were constructed by the District were conveyed or dedicated to Broomfield as of December 31, 2023. Public improvements to serve the property within the District are being constructed by EVT 7th And Sheridan, LLC.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The final assessed valuation of the District is attached hereto as **Exhibit A**.

8. A copy of the current year's budget.

A copy of the 2024 Budget is attached hereto as **Exhibit B**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2023 Audit is in process and will be submitted in a Supplemental Annual Report.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

To our actual knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

To our actual knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A
2023 Final Assessed Valuation

New Tax Entity? YES NO

BROOMFIELD COUNTY ASSESSOR

Date 12/15/2023

NAME OF TAX ENTITY: HIGHLANDS METRO DISTRICT 1 BOND LEVY

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2023:

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ <u>81,133</u>
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$ <u>8,125,480</u>
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$ <u>8,022,066</u>
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$ <u>103,414</u>
5.	NEW CONSTRUCTION: *	5.	\$ <u>0</u>
6.	INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$ <u>0</u>
7.	ANNEXATIONS/INCLUSIONS:	7.	\$ <u>0</u>
8.	PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$ <u>0</u>
9.	NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): ◊	9.	\$ <u>0</u>
10.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$ <u>\$0.00</u>
11.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$ <u>\$0.00</u>

- ‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution
- * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
- ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
- ◊ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC. 20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE BROOMFIELD County ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023:

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$ <u>26,418,450</u>
ADDITIONS TO TAXABLE REAL PROPERTY			
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	\$ <u>0</u>
3.	ANNEXATIONS/INCLUSIONS:	3.	\$ <u>0</u>
4.	INCREASED MINING PRODUCTION: §	4.	\$ <u>0</u>
5.	PREVIOUSLY EXEMPT PROPERTY:	5.	\$ <u>0</u>
6.	OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$ <u>0</u>
7.	TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX	7.	\$ <u>0</u>

WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY

8.	DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$ <u>0</u>
9.	DISCONNECTIONS/EXCLUSIONS:	9.	\$ <u>0</u>
10.	PREVIOUSLY TAXABLE PROPERTY:	10.	\$ <u>0</u>

- ¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
- * Construction is defined as newly constructed taxable real property structures.
- § Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY **\$29,123,610**

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** **\$15,656**

*** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

New Tax Entity? YES NO

BROOMFIELD COUNTY ASSESSOR

Date 12/15/2023

NAME OF TAX ENTITY: HIGHLANDS METRO DISTRICT 1 GENERAL LEVY

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

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3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$8,022,066
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$103,414
5.	NEW CONSTRUCTION: *	5.	\$0
6.	INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$0
7.	ANNEXATIONS/INCLUSIONS:	7.	\$0
8.	PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$0
9.	NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): ◊	9.	\$0
10.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$0.00
11.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$0.00

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DELETIONS FROM TAXABLE REAL PROPERTY

8.	DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$0
9.	DISCONNECTIONS/EXCLUSIONS:	9.	\$0
10.	PREVIOUSLY TAXABLE PROPERTY:	10.	\$0

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IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:
 HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** **\$0**
 *** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT B
2024 Budget

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	-	-	-	-	-
	<u>389,376</u>	<u>406,963</u>	<u>343,978</u>	<u>439,019</u>	<u>527,957</u>
Total revenues					
Total funds available	<u>1,493,294</u>	<u>1,202,485</u>	<u>1,380,370</u>	<u>1,475,411</u>	<u>1,506,453</u>
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
	<u>456,902</u>	<u>496,905</u>	<u>228,479</u>	<u>496,915</u>	<u>785,523</u>
Total expenditures					
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>