

RESOLUTION
ADOPTING BUDGET, APPROPRIATING SUMS OF MONEY AND CERTIFYING
MILL LEVIES FOR THE CALENDAR YEAR 2025

The Board of Directors of Highlands Metropolitan District No. 1 (the “**Board**”), City and County of Broomfield, Colorado (the “**District**”), held a regular meeting, via teleconference on October 16, 2024, at the hour of 9:15 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.

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NOTICE AS TO PROPOSED 2025 BUDGET

**NOTICE OF PUBLIC HEARING ON THE PROPOSED 2025 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE AMENDED 2024 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 16th, 2024, at 9:15 a.m., to consider adoption of the District's proposed 2025 budget (the "Proposed Budget"), and, if necessary, adoption of an amendment to the 2024 budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:
<https://us06web.zoom.us/j/84011660754?pwd=2MSMrbbnCoZq3RxsErg7BfkvLxECy0.1>
Meeting ID: 840 1166 0754
Passcode: 055632

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 <https://highlandsmetrodistrict1.com/> 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

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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 6, 2024



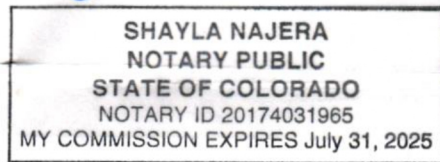
Signature

Subscribed and sworn to me before me this

7th day of October 2024



Notary Public



(SEAL)

Account: 1051175
Ad Number: 2078737
Fee: \$48.40

WHEREAS, the Board has appointed 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 available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final 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 2025. 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 of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2025 as more specifically set out in the budget attached hereto.

Section 3. 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 4. 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 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. 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 7. 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.

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ADOPTED OCTOBER 16, 2024.

DISTRICT:

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

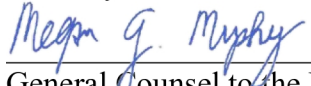
By: 
José-Luis Daniel Montiel (Oct 20, 2024 09:35 MDT)
Officer of the District

Attest:

By: 
Kathryn Jewkes (Oct 17, 2024 19:59 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law


Megan G. Murphy
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, October 16, 2024, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17 day of October, 2024.

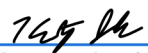

Kathryn Jewkes (Oct 17, 2024 19:59 MDT)
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

HIGHLANDS METROPOLITAN DISTRICT NO. 1
2025
BUDGET MESSAGE

Attached please find a copy of the adopted 2025 budget for the Highlands Metropolitan District No. 1.

Highlands Metropolitan District No. 1 has adopted a budget for three separate funds, a General Fund to provide for the payment of operating and maintenance expenditures; a Capital Projects Fund to provide for estimated infrastructure costs that are to be built for the benefit of the district; and a Debt Service Fund to provide for payments 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 sources of revenue for the district in 2025 will be sales tax and property tax revenue from the imposition of a 50.824 mill levy on property within the district for 2025, of which 4.000 mills will be dedicated to the General Fund and the balance of 46.824 mills will be allocated to the Debt Service Fund.

Highlands Metropolitan District No.1
Adopted Budget
General Fund
For the Year ended December 31, 2025

	Actual <u>2023</u>	Adopted Budget <u>2024</u>	Actual <u>6/30/2024</u>	Estimate <u>2024</u>	Adopted Budget <u>2025</u>
Beginning fund balance	\$ 184,128	\$ 170,691	\$ 170,555	\$ 170,555	\$ 162,370
Revenues:					
Property taxes	400	414	228	414	325
Tif to district	27,413	31,607	31,492	31,607	30,980
Specific ownership taxes	1,471	33	662	1,200	2,174
Other income	<u>11,419</u>	<u>27</u>	<u>9,106</u>	<u>10,000</u>	<u>27</u>
Total revenues	<u>40,703</u>	<u>32,081</u>	<u>41,488</u>	<u>43,221</u>	<u>33,506</u>
Total funds available	<u>224,831</u>	<u>202,772</u>	<u>212,043</u>	<u>213,776</u>	<u>195,876</u>
Expenditures:					
Audit	5,300	5,000	-	5,500	6,000
Accounting	10,350	7,000	4,569	9,500	9,500
Legal	31,174	25,000	20,136	30,000	30,000
Election	3,023	5,000	68	100	2,500
Insurance & bonds	3,180	3,500	4,590	4,600	5,000
Miscellaneous	1,243	600	420	500	600
Website	-		600	1,200	1,200
Treasurer's fee	6	6	3	6	5
Contingency	-	155,283	-	-	139,427
Emergency reserve (3%)	<u>-</u>	<u>1,383</u>	<u>-</u>	<u>-</u>	<u>1,644</u>
Total expenditures	<u>54,276</u>	<u>202,772</u>	<u>30,386</u>	<u>51,406</u>	<u>195,876</u>
Ending fund balance	<u>\$ 170,555</u>	<u>\$ -</u>	<u>\$ 181,657</u>	<u>\$ 162,370</u>	<u>\$ -</u>
Current Year Total		8,125,480			7,944,390
Current year TIF		<u>8,022,066</u>			<u>7,862,989</u>
Assessed valuation		<u>\$ 103,414</u>			<u>\$ 81,401</u>
Mill Levy		<u>4.000</u>			<u>4.000</u>

Highlands Metropolitan District No.1
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2025

	Actual 2023	Adopted Budget 2024	Actual 6/30/2024	Estimate 2024	Adopted Budget 2025
Beginning fund balance	<u>\$ 454,852</u>	<u>\$ 310,291</u>	<u>\$ 310,719</u>	<u>\$ 310,719</u>	<u>\$ 325,719</u>
Revenues:					
Interest income	<u>15,428</u>	<u>-</u>	<u>8,046</u>	<u>15,000</u>	<u>5,000</u>
Total revenues	<u>15,428</u>	<u>-</u>	<u>8,046</u>	<u>15,000</u>	<u>5,000</u>
Total funds available	<u>470,280</u>	<u>310,291</u>	<u>318,765</u>	<u>325,719</u>	<u>330,719</u>
Expenditures:					
Capital expenditures	159,561	310,291	-	-	330,719
Transfer to Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>159,561</u>	<u>310,291</u>	<u>-</u>	<u>-</u>	<u>330,719</u>
Ending fund balance	<u><u>\$ 310,719</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 318,765</u></u>	<u><u>\$ 325,719</u></u>	<u><u>\$ -</u></u>

Highlands Metropolitan District No.1
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2025

	Actual <u>2023</u>	Adopted Budget <u>2024</u>	Actual <u>06/30/24</u>	Estimate <u>2024</u>	Adopted Budget <u>2025</u>
Beginning fund balance	\$ 1,036,392	\$ 978,496	\$ 1,037,214	\$ 1,037,214	\$ 794,124
Revenues:					
Property taxes	4,327	4,837	2,666	4,837	3,812
TIF	246,719	369,596	368,254	369,596	362,654
Specific ownership taxes	13,238	339	7,730	8,000	25,386
Sales Tax	178,736	153,185	52,718	130,000	153,185
Interest income	53,706	-	25,023	30,000	10,000
Transfer from Capital Projects	-	-	-	-	-
	<u>496,726</u>	<u>527,957</u>	<u>456,391</u>	<u>542,433</u>	<u>555,037</u>
Total revenues					
Total funds available	<u>1,533,118</u>	<u>1,506,453</u>	<u>1,493,605</u>	<u>1,579,647</u>	<u>1,349,161</u>
Expenditures:					
Interest	456,850	455,450	227,725	455,450	442,450
Principal	35,000	325,000	-	325,000	525,000
Trustee Fees	4,000	5,000	4,000	5,000	5,000
Treasurer fees	54	73	40	73	57
	<u>495,904</u>	<u>785,523</u>	<u>231,765</u>	<u>785,523</u>	<u>972,507</u>
Total expenditures					
Ending fund balance	<u>\$ 1,037,214</u>	<u>\$ 720,930</u>	<u>\$ 1,261,840</u>	<u>\$ 794,124</u>	<u>\$ 376,654</u>
Current Year Total		8,125,480			7,944,390
Current year TIF		8,022,066			7,862,989
Assessed valuation		<u>\$ 103,414</u>			<u>\$ 81,401</u>
Mill Levy		<u>46.774</u>			<u>46.824</u>