

HIGHLANDS METROPOLITAN DISTRICT NO. 1

2025 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, 2025, 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 2025.

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

There were no new intergovernmental agreements entered into or terminated in 2025.

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, 2025.

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

The District did not construct any public improvements in 2025.

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

All facilities and improvements were constructed by the previous developers and conveyed or dedicated to Broomfield.

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 2026 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 2025 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
2025 Final Assessed Valuation

RECERTIFICATION OF VALUATION BY BROOMFIELD COUNTY ASSESSOR

New Tax Entity? ☐ YES ☒ NO

Date 11/20/2025

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 2025:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1. \$ 81,401
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2. \$ 7,534,310
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$ 7,456,990
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$ 77,320
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.): Φ	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

‡ 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.

Φ 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. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE BROOMFIELD County ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2025:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1. \$ 26,262,050
--	------------------

ADDITIONS TO TAXABLE REAL PROPERTY

2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2. \$ 0
3. ANNEXATIONS/INCLUSIONS:	3. \$ 0
4. INCREASED MINING PRODUCTION: §	4. \$ 0
5. PREVIOUSLY EXEMPT PROPERTY:	5. \$ 0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6. \$ 0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX	7. \$ 0

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. \$ 0
9. DISCONNECTIONS/EXCLUSIONS:	9. \$ 0
10. PREVIOUSLY TAXABLE PROPERTY:	10. \$ 0

¶ 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 \$ 27,904,880

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$ 15,113

** 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.

USE FOR STATUTORY PROPERTY TAX LIMIT CALCULATION ("5.25%" LIMIT)

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 2025 :

1.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	1.	\$7,534,310
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	\$7,456,990
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	\$77,320
4.	NEW CONSTRUCTION:	4.	\$0
5.	ANNEXATIONS/INCLUSIONS:	5.	\$0
6.	PREVIOUSLY EXEMPT PROPERTY:	6.	\$0
7.	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:	7.	\$0.00
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION* (29-1-306(3)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	8.	\$0
9.	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):	9.	\$0.00
10.	TOTAL VALUATION FOR ASSESSMENT FROM PRODUCING MINES OR LANDS OR LEASEHOLDS PRODUCING OIL OR GAS	10.	\$0
11.	REVENUE INCREASE FROM EXPIRED TIF:	11.	\$0

* Change in law for property tax classification does not include changes in classification due to property use changes.

Note:

The property tax limit will apply to all property taxing entities with the exception of school districts and any county, city and county, city, or town that has adopted a home rule charter (29-1-306(1)(b), C.R.S.). The revenue limit applies to any property taxing entities that have authority to exceed current 5.5% and the TABOR limit.

The Division of Local Government ("the Division") has developed technical assistance resources to assist taxing entities with the calculation of the property tax limit available online [here](https://dlg.colorado.gov/budget-information-and-resources) (https://dlg.colorado.gov/budget-information-and-resources). Please understand that the Division has no statutory or administrative role in calculating or enforcing the property tax limit, and each taxing entity's revenue limits and voter approval history may be unique. The technical assistance resources provided by the Division with regard to the property tax limit are not definitive and not legal advice. Taxing entities may choose to calculate the property tax limit with a methodology that is different from the methodology presented in the Division's technical assistance resources. The Division always recommends that taxing entities consult with an attorney in order to understand and apply the various statutory and constitutional revenue limits that may apply to that taxing entity.

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

RECERTIFICATION OF VALUATION BY BROOMFIELD COUNTY ASSESSOR

New Tax Entity? 0 YES ☐ NO ☐

Date 11/20/2025

NAME OF TAX ENTITY: HIGHLANDS METRO DISTRICT 1 GENERAL 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 2025:

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ 81,401
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: t	2.	\$ 7,534,310
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$ 7,456,990
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$ 77,320
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(l)(b), C.R.S.): <	9.	\$ 0
10.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(l)(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(l)(a), C.R.S.) and (39-10-114(l)(a)(T)(B), C.R.S.):	11.	\$ 0.00

- † 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 528.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC. 20, COLO. CONSTITUTION AND 39-5-121(2Xb), C.R.S., THE BROOMFIELD County ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2025:

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: 11	1.	\$ 26,262,050
----	--	----	---------------

ADDITIONS TO TAXABLE REAL PROPERTY

2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	\$ 0
3.	ANNEXATIONS/INCLUSIONS:	3.	\$ 0
4.	INCREASED MINING PRODUCTION: §	4.	\$ 0
5.	PREVIOUSLY EXEMPT PROPERTY:	5.	\$ 0
6.	OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$ 0
7.	TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX 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.):	7.	\$ 0

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
11.	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 **\$27,904,880**

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.

USE FOR STATUTORY PROPERTY TAX LIMIT CALCULATION ("5.25%" LIMIT)

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 2025 :

1.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	1.	\$7,534,310
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	\$7,456,990
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	\$77,320
4.	NEW CONSTRUCTION:	4.	\$0
5.	ANNEXATIONS/INCLUSIONS:	5.	\$0
6.	PREVIOUSLY EXEMPT PROPERTY:	6.	\$0
7.	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:	7.	\$0.00
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION* (29-1-306(3)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	8.	\$0
9.	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.):	9.	\$0.00
10.	TOTAL VALUATION FOR ASSESSMENT FROM PRODUCING MINES OR LANDS OR LEASEHOLDS PRODUCING OIL OR GAS	10.	\$0
11.	REVENUE INCREASE FROM EXPIRED TIF:	11.	\$0

* Change in law for property tax classification does not include changes in classification due to property use changes.

Note:

The property tax limit will apply to all property taxing entities with the exception of school districts and any county, city and county, city, or town that has adopted a home rule charter (29-1-306(1)(b), C.R.S.). The revenue limit applies to any property taxing entities that have authority to exceed current 5.5% and the TABOR limit.

The Division of Local Government ("the Division") has developed technical assistance resources to assist taxing entities with the calculation of the property tax limit available online [here](https://dlg.colorado.gov/budget-information-and-resources) (https://dlg.colorado.gov/budget-information-and-resources). Please understand that the Division has no statutory or administrative role in calculating or enforcing the property tax limit, and each taxing entity's revenue limits and voter approval history may be unique. The technical assistance resources provided by the Division with regard to the property tax limit are not definitive and not legal advice. Taxing entities may choose to calculate the property tax limit with a methodology that is different from the methodology presented in the Division's technical assistance resources. The Division always recommends that taxing entities consult with an attorney in order to understand and apply the various statutory and constitutional revenue limits that may apply to that taxing entity.

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

New Tax Entity? ☐ YES ☒ NO

WELD COUNTY ASSESSOR

Date 11/17/2025

NAME OF TAX ENTITY: HIGHLANDS METRO 1

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 2025 :

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	10.00
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	10.00
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0.00
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	10.00
5.	NEW CONSTRUCTION: *	5.	\$	0.00
6.	INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0.00
7.	ANNEXATIONS/INCLUSIONS:	7.	\$	0.00
8.	PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0.00
9.	NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0.00
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

‡ 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.

Φ 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. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2025 :

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	3.00
ADDITIONS TO TAXABLE REAL PROPERTY				
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	\$	0.00
3.	ANNEXATIONS/INCLUSIONS:	3.	\$	0.00
4.	INCREASED MINING PRODUCTION: §	4.	\$	0.00
5.	PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0.00
6.	OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0.00
7.	TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX 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.):	7.	\$	0.00

DELETIONS FROM TAXABLE REAL PROPERTY

8.	DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0.00
9.	DISCONNECTIONS/EXCLUSIONS:	9.	\$	0.00
10.	PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0.00

¶ 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:

\$ 0.00

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **

** 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.

\$ 0.00

USE FOR STATUTORY PROPERTY TAX LIMIT CALCULATION ("5.25% LIMIT")

1490 County Tax Entity Code

DOLA LGID/SID 66286/1

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 2025 :

1.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	10.00
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	\$	0.00
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	\$	10.00
4.	NEW CONSTRUCTION:	4.	\$	0.00
5.	ANNEXATIONS/INCLUSIONS:	5.	\$	0.00
6.	PREVIOUSLY EXEMPT PROPERTY:	6.	\$	0.00
7.	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:	7.	\$	0.00
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION* (29-1-306(3)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	8.	\$	0.00
9.	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.):	9.	\$	0.00
10.	TOTAL VALUATION FOR ASSESSMENT FROM PRODUCING MINES OR LANDS OR LEASEHOLDS PRODUCING OIL OR GAS	10.	\$	
11.	REVENUE INCREASE FROM EXPIRED TIF:	11.	\$	0.00

* Change in law for property tax classification does not include changes in classification due to property use changes.

Notes:

The property tax limit will apply to all property taxing entities with the exception of school districts and any county, city and county, city, or town that has adopted a home rule charter (29-1-306(1)(b), C.R.S.). The revenue limit applies to any property taxing entities that have authority to exceed current 5.5% and the TABOR limit.

The Division of Local Government ("the Division") has developed technical assistance resources to assist taxing entities with the calculation of the property tax limit available online here (<https://dlg.colorado.gov/budget-information-and-resources>). Please understand that the Division has no statutory or administrative role in calculating or enforcing the property tax limit, and each taxing entity's revenue limits and voter approval history may be unique. The technical assistance resources provided by the Division with regard to the property tax limit are not definitive and not legal advice. Taxing entities may choose to calculate the property tax limit with a methodology that is different from the methodology presented in the Division's technical assistance resources. The Division always recommends that taxing entities consult with an attorney in order to understand and apply the various statutory and constitutional revenue limits that may apply to that taxing entity.

EXHIBIT B
2026 Budget

HIGHLANDS METROPOLITAN DISTRICT NO. 1
2026
BUDGET MESSAGE

Attached please find a copy of the adopted 2026 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 2026 will be sales tax and property tax revenue from the imposition of a 52.333 mill levy on property within the district for 2026, of which 4.000 mills will be dedicated to the General Fund and the balance of 48.333 mills will be allocated to the Debt Service Fund.

Highlands Metropolitan District No.1
Adopted Budget
General Fund
For the Year ended December 31, 2026

	Actual <u>2024</u>	Adopted Budget <u>2025</u>	Actual <u>6/30/2025</u>	Estimate <u>2025</u>	Adopted Budget <u>2026</u>
Beginning fund balance	\$ 170,555	\$ 162,370	\$ 161,713	\$ 161,713	\$ 145,413
Revenues:					
Property taxes	233	325	323	325	309
Tif to district	31,828	30,980	30,838	30,980	29,381
Specific ownership taxes	1,380	2,174	701	1,200	2,062
Other income	<u>19,641</u>	<u>27</u>	<u>4,176</u>	<u>8,000</u>	<u>27</u>
Total revenues	<u>53,082</u>	<u>33,506</u>	<u>36,038</u>	<u>40,505</u>	<u>31,779</u>
Total funds available	<u>223,637</u>	<u>195,876</u>	<u>197,751</u>	<u>202,218</u>	<u>177,192</u>
Expenditures:					
Audit	5,500	6,000	-	6,500	6,000
Accounting	10,235	9,500	6,018	10,000	9,500
Legal	39,434	30,000	7,142	30,000	30,000
Election	382	2,500	3,282	3,500	2,500
Insurance & bonds	4,340	5,000	4,201	4,600	5,000
Miscellaneous	829	600	479	1,000	600
Website	1,200	1,200	800	1,200	1,200
Treasurer's fee	4	5	5	5	5
Contingency	-	139,427	-	-	120,743
Emergency reserve (3%)	<u>-</u>	<u>1,644</u>	<u>-</u>	<u>-</u>	<u>1,644</u>
Total expenditures	<u>61,924</u>	<u>195,876</u>	<u>21,927</u>	<u>56,805</u>	<u>177,192</u>
Ending fund balance	<u>\$ 161,713</u>	<u>\$ -</u>	<u>\$ 175,824</u>	<u>\$ 145,413</u>	<u>\$ -</u>
Current Year Total		7,944,390			7,534,310
Current year TIF		<u>7,862,989</u>			<u>7,456,990</u>
Assessed valuation		<u>\$ 81,401</u>			<u>\$ 77,320</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, 2026

	Actual 2024	Adopted Budget 2025	Actual 6/30/2025	Estimate 2025	Adopted Budget 2026
Beginning fund balance	<u>\$ 310,719</u>	<u>\$ 325,719</u>	<u>\$ 326,657</u>	<u>\$ 326,657</u>	<u>\$ 341,657</u>
Revenues:					
Interest income	<u>15,938</u>	<u>5,000</u>	<u>6,735</u>	<u>15,000</u>	<u>5,000</u>
Total revenues	<u>15,938</u>	<u>5,000</u>	<u>6,735</u>	<u>15,000</u>	<u>5,000</u>
Total funds available	<u>326,657</u>	<u>330,719</u>	<u>333,392</u>	<u>341,657</u>	<u>346,657</u>
Expenditures:					
Capital expenditures	-	330,719	-	-	330,719
Transfer to Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>330,719</u>	<u>-</u>	<u>-</u>	<u>330,719</u>
Ending fund balance	<u><u>\$ 326,657</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 333,392</u></u>	<u><u>\$ 341,657</u></u>	<u><u>\$ 15,938</u></u>

Highlands Metropolitan District No.1
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2026

	Actual <u>2024</u>	Adopted Budget <u>2025</u>	Actual <u>06/30/25</u>	Estimate <u>2025</u>	Adopted Budget <u>2026</u>
Beginning fund balance	\$ 1,037,214	\$ 794,124	\$ 863,024	\$ 863,024	\$ 480,934
Revenues:					
Property taxes	2,714	3,812	4,635	4,837	3,737
TIF	371,633	362,654	360,992	369,596	355,012
Specific ownership taxes	16,866	25,386	8,195	16,000	24,851
Sales Tax	169,121	153,185	84,337	170,000	180,000
Interest income	49,973	10,000	18,581	30,000	30,000
Transfer from Capital Projects	-	-	-	-	-
Total revenues	<u>610,307</u>	<u>555,037</u>	<u>476,740</u>	<u>590,433</u>	<u>593,600</u>
Total funds available	<u>1,647,521</u>	<u>1,349,161</u>	<u>1,339,764</u>	<u>1,453,457</u>	<u>1,074,534</u>
Expenditures:					
Interest	455,450	442,450	221,225	442,450	421,450
Principal	325,000	525,000	-	525,000	605,000
Trustee Fees	4,000	5,000	4,000	5,000	5,000
Treasurer fees	<u>47</u>	<u>57</u>	<u>57</u>	<u>73</u>	<u>56</u>
Total expenditures	<u>784,497</u>	<u>972,507</u>	<u>225,282</u>	<u>972,523</u>	<u>1,031,506</u>
Ending fund balance	<u>\$ 863,024</u>	<u>\$ 376,654</u>	<u>\$ 1,114,482</u>	<u>\$ 480,934</u>	<u>\$ 43,028</u>
Current Year Total		7,944,390			7,534,310
Current year TIF		<u>7,862,989</u>			<u>7,456,990</u>
Assessed valuation		<u>\$ 81,401</u>			<u>\$ 77,320</u>
Mill Levy		<u>46.824</u>			<u>48.333</u>