

HIGHLANDS METROPOLITAN DISTRICT NO. 2
2020
BUDGET MESSAGE

Attached please find a copy of the adopted 2020 budget for the Highlands Metropolitan District No. 2.

The Highlands Metropolitan District No. 2 has adopted budgets for three 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 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 2020 will be development fees, and TIF revenue. The District intends to impose a mill levy of 59.869 mills on all property within the District for 2020, of which 5.000 mills will be dedicated to the General Fund and the balance of 54.869 mills will be allocated to the Debt Service Fund.

Highlands Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2020

	Actual 2018	Adopted Budget 2019	Actual 6/30/2019	Estimate 2019	Adopted Budget 2020
Beginning fund balance	\$ 15,888	9,728	\$ 18,267	\$ 18,267	23,494
Revenues:					
Property taxes	355	513	508	513	693
TIF	12,614	23,360	22,765	23,360	37,723
Specific ownership taxes	849	36	720	1,000	2,429
Developer advances	-	2,500	-	-	-
Interest income	3,550	-	3,237	3,500	-
Total revenues	17,368	26,409	27,230	28,373	40,845
Total funds available	33,256	36,137	45,497	46,640	64,339
Expenditures:					
Audit	4,500	4,500	-	4,500	4,500
Accounting	2,088	5,500	4,412	5,500	5,500
Legal	5,058	15,000	3,283	10,000	15,000
Insurance & bonds	3,263	3,600	3,138	3,138	3,400
Miscellaneous	75	1,500	-	-	1,500
Treasurer's fee	5	8	8	8	10
Contingency	-	5,126	-	-	33,532
Emergency reserve (3%)	-	903	-	-	897
Total expenditures	14,989	36,137	10,841	23,146	64,339
Ending fund balance	\$ 18,267	-	\$ 34,656	\$ 23,494	-
Current Year Total		4,774,479			7,683,182
Current year TIF		4,671,913			7,544,542
Assessed valuation		102,566			138,640
Mill Levy		5.000			5.000

Highlands Metropolitan District No. 2
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2020

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimate <u>2019</u>	Adopted Budget <u>2020</u>
Beginning fund balance	\$ 2,362,649	789,149	\$ 806,030	\$ 806,030	757,136
Revenues:					
Developer advances	-	-	-	-	-
Interest income	36,766	10,000	9,593	15,000	10,000
Bond proceeds	-	-	-	-	-
Bond proceeds subordinate	-	-	-	-	-
Total revenues	<u>36,766</u>	<u>10,000</u>	<u>9,593</u>	<u>15,000</u>	<u>10,000</u>
Total funds available	<u>2,399,415</u>	<u>799,149</u>	<u>815,623</u>	<u>821,030</u>	<u>767,136</u>
Expenditures:					
Issuance costs	-	-	-	-	-
Accounting	3,882	-	-	-	-
Legal	7,588	-	-	-	-
Engineering	-	-	219	1,500	-
Capital expenditures	1,581,915	799,149	-	62,394	767,136
Capital improvements acquired	-	-	-	-	-
Repay developer advances	-	-	-	-	-
Repay developer advances - interest	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
Total expenditures	<u>1,593,385</u>	<u>799,149</u>	<u>219</u>	<u>63,894</u>	<u>767,136</u>
Ending fund balance	<u>\$ 806,030</u>	<u>-</u>	<u>\$ 815,404</u>	<u>\$ 757,136</u>	<u>-</u>

Highlands Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2020

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimate <u>2019</u>	Adopted Budget <u>2020</u>
Beginning fund balance	\$ 1,102,434	1,048,871	\$ 1,170,680	\$ 1,170,680	1,180,425
Revenues:					
Property taxes	3,709	5,505	5,451	5,505	7,607
TIF	131,649	250,746	244,365	250,746	413,961
Specific ownership taxes	8,865	15,375	7,728	15,400	25,294
Development fees	212,500	42,500	22,500	30,000	15,000
Interest Income	18,429	12,000	10,920	15,000	15,000
Bond proceeds subordinate	-	-	-	-	-
Total revenues	<u>375,152</u>	<u>326,126</u>	<u>290,964</u>	<u>316,651</u>	<u>476,862</u>
Total funds available	<u>1,477,586</u>	<u>1,374,997</u>	<u>1,461,644</u>	<u>1,487,331</u>	<u>1,657,287</u>
Expenditures:					
Trustee fee	5,500	6,000	5,500	5,500	6,000
Treasurer's fees	56	82	83	56	117
Bond interest	301,350	301,350	150,675	301,350	301,350
Miscellaneous	-	-	-	-	-
Total expenditures	<u>306,906</u>	<u>307,432</u>	<u>156,258</u>	<u>306,906</u>	<u>307,467</u>
Ending fund balance	<u>\$ 1,170,680</u>	<u>1,067,565</u>	<u>\$ 1,305,386</u>	<u>\$ 1,180,425</u>	<u>1,349,820</u>
Current Year Total		4,774,479			7,683,182
Current year TIF		<u>4,671,913</u>			<u>7,544,542</u>
Assessed valuation		<u>102,566</u>			<u>138,640</u>
Mill Levy		<u>53.671</u>			<u>54.869</u>