

**HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**2021**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2021 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 2021 will be property taxes, and TIF revenue. The District intends to impose a mill levy of 60.596 mills on all property within the District for 2021, of which 5.000 mills will be dedicated to the General Fund and the balance of 55.596 mills will be allocated to the Debt Service Fund.

**Highlands Metropolitan District No. 2**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2021**

	Actual <u>2019</u>	Adopted Budget <u>2020</u>	Actual <u>8/31/2020</u>	Estimate <u>2020</u>	Adopted Budget <u>2021</u>
Beginning fund balance	\$ 18,267	23,494	\$ 20,866	\$ 20,866	3,581
Revenues:					
Property taxes	513	693	691	691	623
TIF	22,996	37,723	37,132	37,723	37,948
Specific ownership taxes	1,531	2,429	1,415	2,000	2,656
Interest income	6,946	-	2,249	3,500	-
Total revenues	31,986	40,845	41,487	43,914	41,227
Total funds available	50,253	64,339	62,353	64,780	44,808
Expenditures:					
Audit	4,500	4,500	4,400	4,400	4,500
Accounting	7,823	5,500	6,937	7,000	5,500
Legal	13,918	15,000	37,073	45,000	15,000
Insurance & bonds	3,138	3,400	3,589	3,589	3,400
Miscellaneous	-	1,500	1,202	1,202	1,500
Treasurer's fee	8	10	10	8	9
Contingency	-	33,532	-	-	14,002
Emergency reserve (3%)	-	897	-	-	897
Total expenditures	29,387	64,339	53,211	61,199	44,808
Ending fund balance	\$ 20,866	-	\$ 9,142	\$ 3,581	-
Current Year Total		7,683,182			7,714,290
Current year TIF		7,544,542			7,589,649
Assessed valuation		138,640			124,641
Mill Levy		5.000			5.000

**Highlands Metropolitan District No. 2**  
**Adopted Budget**  
**Capital Projects Fund**  
**For the Year ended December 31, 2021**

	Actual <u>2019</u>	Adopted Budget <u>2020</u>	Actual <u>8/31/2020</u>	Estimate <u>2020</u>	Adopted Budget <u>2021</u>
Beginning fund balance	\$ 806,030	757,136	\$ 760,751	\$ 760,751	12,387
Revenues:					
Developer advances	-	-	-	-	-
Interest income	17,335	10,000	3,420	4,000	1,000
Bond proceeds	-	-	-	-	-
Bond proceeds subordinate	-	-	-	-	-
Total revenues	<u>17,335</u>	<u>10,000</u>	<u>3,420</u>	<u>4,000</u>	<u>1,000</u>
Total funds available	<u>823,365</u>	<u>767,136</u>	<u>764,171</u>	<u>764,751</u>	<u>13,387</u>
Expenditures:					
Capital expenditures	<u>62,614</u>	<u>767,136</u>	<u>752,364</u>	<u>752,364</u>	<u>13,387</u>
Total expenditures	<u>62,614</u>	<u>767,136</u>	<u>752,364</u>	<u>752,364</u>	<u>13,387</u>
Ending fund balance	<u>\$ 760,751</u>	<u>-</u>	<u>\$ 11,807</u>	<u>\$ 12,387</u>	<u>-</u>

**Highlands Metropolitan District No. 2**  
**Adopted Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2021**

	Actual <u>2019</u>	Adopted Budget <u>2020</u>	Actual <u>8/31/2020</u>	Estimate <u>2020</u>	Adopted Budget <u>2021</u>
Beginning fund balance	\$ 1,170,680	1,180,425	\$ 1,200,124	\$ 1,200,124	1,343,664
Revenues:					
Property taxes	5,506	7,607	7,582	7,607	6,930
TIF	246,843	413,961	407,484	413,900	421,954
Specific ownership taxes	16,439	25,294	15,529	23,000	25,733
Development fees	47,500	15,000	-	-	-
Interest Income	20,090	15,000	5,892	6,000	3,500
Total revenues	<u>336,378</u>	<u>476,862</u>	<u>436,487</u>	<u>450,507</u>	<u>458,117</u>
Total funds available	<u>1,507,058</u>	<u>1,657,287</u>	<u>1,636,611</u>	<u>1,650,631</u>	<u>1,801,781</u>
Expenditures:					
Trustee fee	5,500	6,000	5,500	5,500	6,000
Treasurer's fees	84	117	115	117	107
Bond interest	301,350	301,350	150,675	301,350	301,350
Bond principal	-	-	-	-	35,000
Total expenditures	<u>306,934</u>	<u>307,467</u>	<u>156,290</u>	<u>306,967</u>	<u>342,457</u>
Ending fund balance	<u>\$ 1,200,124</u>	<u>1,349,820</u>	<u>\$ 1,480,321</u>	<u>\$ 1,343,664</u>	<u>1,459,324</u>
Current Year Total		7,683,182			7,714,290
Current year TIF		<u>7,544,542</u>			<u>7,589,649</u>
Assessed valuation		<u>138,640</u>			<u>124,641</u>
Mill Levy		<u>54.869</u>			<u>55.596</u>