

HIGHLANDS METROPOLITAN DISTRICT NO. 2
2022
BUDGET MESSAGE

Attached please find a copy of the adopted 2022 budget for the Highlands Metropolitan District No. 2.

The Highlands Metropolitan District No. 2 has adopted budgets for two funds, a General Fund to provide for the payment of general operating expenditures; 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 2022 will be development fees, and TIF revenue. The district intends to impose a mill levy of 50.000 mills on all property within the district for 2022, of which 5.000 mills will be dedicated to the General Fund and the balance of 45.000 mills will be allocated to the Debt Service Fund.

Highlands Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>8/31/2021</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ 20,866	3,581	\$ 3,918	\$ 20	12,676
Revenues:					
Property taxes	691	623	623	691	644
TIF	37,132	37,948	37,448	37,723	40,695
Specific ownership taxes	2,139	2,656	1,536	2,000	2,849
Interest income	2,354	-	53	3,500	-
Total revenues	<u>42,316</u>	<u>41,227</u>	<u>39,660</u>	<u>43,914</u>	<u>44,188</u>
Total funds available	<u>63,182</u>	<u>44,808</u>	<u>43,578</u>	<u>43,934</u>	<u>56,864</u>
Expenditures:					
Audit	4,400	4,500	-	4,400	5,000
Accounting	9,459	5,500	7,610	8,500	5,500
Legal	44,501	15,000	7,732	15,000	15,000
Election	-	-	-	-	5,000
Insurance & bonds	3,589	3,400	3,177	3,200	3,400
Miscellaneous	1,203	1,500	80	150	1,500
Treasurer's fee	10	9	9	8	10
Contingency	-	14,002	-	-	20,392
Emergency reserve (3%)	-	897	-	-	1,062
Total expenditures	<u>63,162</u>	<u>44,808</u>	<u>18,608</u>	<u>31,258</u>	<u>56,864</u>
Ending fund balance	<u>\$ 20</u>	<u>-</u>	<u>\$ 24,970</u>	<u>\$ 12,676</u>	<u>-</u>
Current Year Total		7,714,290			8,391,680
Current year TIF		7,589,649			8,262,928
Assessed valuation		<u>124,641</u>			<u>128,752</u>
Mill Levy		<u>5.000</u>			<u>5.000</u>

Highlands Metropolitan District No. 2
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>8/31/2021</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ 760,752	12,387	\$ 11,833	\$ 11,833	-
Revenues:					
Interest income	3,446	1,000	8	8	-
Total revenues	3,446	1,000	8	8	-
Total funds available	764,198	13,387	11,841	11,841	-
Expenditures:					
Capital expenditures	752,365	13,387	-	-	-
Transfer to Debt Service	-	-	11,841	11,841	-
Total expenditures	752,365	13,387	11,841	11,841	-
Ending fund balance	\$ 11,833	-	\$ -	\$ -	-

Highlands Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>8/31/2021</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ 1,200,125	1,343,664	\$ 1,066,813	\$ 1,066,813	8,686
Revenues:					
Property taxes	7,582	6,930	6,928	6,928	5,794
TIF	407,484	421,954	415,193	421,000	371,832
Specific ownership taxes	23,477	25,733	16,853	25,000	22,658
Loan proceeds	-	-	7,275,000	7,275,000	-
Development fees	-	-	-	-	-
Interest Income	6,506	3,500	321	500	500
Transfer from Capital Projects fund	-	-	11,843	11,843	-
Bond proceeds subordinate	-	-	-	-	-
Total revenues	445,049	458,117	7,726,138	7,740,271	400,784
Total funds available	1,645,174	1,801,781	8,792,951	8,807,084	409,470
Expenditures:					
Trustee fee	7,800	6,000	5,700	5,700	-
Treasurer's fees	115	107	106	104	87
Bond interest	301,350	301,350	-	144,918	241,518
Sub bond interest	254,131	-	-	-	-
Cost of issuance	14,965	-	236,095	236,095	-
Bond principal	-	35,000	-	100,000	150,000
Repay developer advances	-	-	350,000	350,000	-
Payment to refunding escrow	-	-	7,961,581	7,961,581	-
Total expenditures	578,361	342,457	8,553,482	8,798,398	391,605
Ending fund balance	\$ 1,066,813	1,459,324	\$ 239,469	\$ 8,686	17,865
Current Year Total		7,714,290			8,391,680
Current year TIF		7,589,649			8,262,928
Assessed valuation		124,641			128,752
Mill Levy		55.596			45.000