

HIGHLANDS METROPOLITAN DISTRICT NO. 2

2024 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) C.R.S. and the Service Plan for Highlands Metropolitan District No. 2 (the “**District**”), the District is required to provide an annual report to the City and County of Broomfield (“**Broomfield**”) with regard to the following matters:

For the year ending December 31, 2024, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

The District did not have any boundary changes in 2024.

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

The District entered into an Intergovernmental Agreement with The Colorado Statewide Internet Portal Authority dated March 25, 2024 and attached hereto as **Exhibit A**.

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, 2024.

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

The District did not construct any Public Improvements in 2024.

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

No facilities or improvements were constructed by the District that were conveyed or dedicated to the City and County of Broomfield as of December 31, 2024.

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 B**.

8. A copy of the current year's budget.

A copy of the 2025 Budget is attached hereto as **Exhibit C**.

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 2024 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.

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 its actual knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A
Intergovernmental Agreement



**ELIGIBLE GOVERNMENTAL ENTITY AGREEMENT
BETWEEN
THE COLORADO STATEWIDE INTERNET PORTAL AUTHORITY
AND Highlands Metropolitan District No. 2**

PREAMBLE

This Eligible Governmental Entity (EGE) Agreement ("Agreement") is made and entered into as of the date of the last signature below (the "Effective Date") by and between Highlands Metropolitan District No. 2 ("EGE") and the Colorado Statewide Internet Portal Authority ("SIPA") established pursuant to §§ 24-37.7-101 et seq., C.R.S., with its office at 950 South Cherry Street, Suite 900, Denver, Colorado, 80246.

SIPA and EGE wish to enter into a cooperative agreement under which services can be provided at the discretion of both Parties.

BACKGROUND

Pursuant to §§ 24-37.7-101 through 114, C.R.S., SIPA is created as a body corporate and political subdivision of the state to provide electronic information, products, and services to all state agencies, local governments, and members of the public, and, among other things, to give members of the public, state agencies, and local governments an alternative way to transact business. Pursuant to § 24-37.7-104(1)(q), SIPA is authorized to enter into agreements and contracts for electronic information, products, and services and all state agencies and local governments (as defined within § 24-37.7-101) are authorized to enter into and do all things necessary to perform any such arrangements or contracts with SIPA, including this EGE Agreement.

Neither Party is committing funds or required to perform services as part of this agreement.

SIPA has entered into certain contracts with its suppliers to provide electronic information, products, and services which will be available to EGE pursuant to this EGE Agreement, which includes the statewide internet portal managed by the statewide internet portal integrator, as defined in § 24-37.7-101, C.R.S. ("Portal Integrator").

GENERAL TERMS

SIPA will provide, through its suppliers, electronic information, products, and services to EGE pursuant to an Order under this Agreement ("Order"). An Order will be prepared for each electronic information, product, and service and mutually signed by SIPA and EGE.

SIPA and EGE agree as follows:

1. EGE shall make available to SIPA electronic information maintained and owned by EGE as is necessary to complete the agreed-upon work as set forth in an Order under this Agreement. As mutually agreed upon in subsequent Orders under this Agreement, EGE will provide reasonable levels of support in placing online with SIPA certain EGE-owned electronic information, as mutually agreed by EGE and SIPA, with due regard to the workload and priorities of EGE and SIPA.
2. SIPA may, with the authorization of EGE, through the statewide internal portal, make public electronic information made available to it available to the general public, including EGE's public electronic information. The Parties agree to use their best efforts to provide adequate and uninterrupted service under the terms of this Agreement. However, neither Party shall be liable for interruption of service when the same shall be due to circumstances beyond the reasonable control of either Party, its agents or employees, including but not limited to unanticipated equipment malfunction, periodic maintenance or update of the computer systems upon which such EGE electronic information resides, or interruption of service due to problems with the Colorado statewide area network or due to problems with any telecommunications provider.
3. SIPA and EGE may enter into an Order under this Agreement. Orders under this Agreement shall describe specific services and applications to be provided to EGE. EGE acknowledges that services and applications are usually offered by SIPA's suppliers. Orders shall cover the purchase of electronic information, products, and services from SIPA through the use of EGE funds. All Orders involving EGE funds may be approved by the EGE official with authority to execute such agreement. Orders shall contain specific time or performance milestones for SIPA's supplier(s), timelines for completion of relevant Orders, including design specifications and other criteria relevant to the completion of applicable Orders, criteria, and procedures for acceptance by EGE and remedying incomplete or inaccurate work for each phase of relevant Orders.
4. SIPA shall be responsible for the operation of, and all costs and expenses associated with, establishing and maintaining electronic access to EGE electronic information, databases or other software applications, including (but without limitation) the cost of purchasing, developing, and maintaining programs used to interface with EGE software applications that provide access to EGE-owned electronic information, products, and services. EGE acknowledges SIPA may at its discretion use suppliers to perform certain obligations. EGE's maximum financial obligation for establishing and maintaining electronic access to EGE databases or other software applications shall be limited to the amount(s) set forth and appropriated pursuant to each individual Order under this Agreement.
5. Each Party shall have the right to terminate this Agreement by giving the other Party 10 days' written notice. Unless otherwise specified in such notice, this Agreement will terminate at the end of such 10-day period, and the liabilities of the Parties hereunder for further performance of the terms of this

Agreement shall thereupon cease, but the Parties shall not be released from any duty to perform up to the date of termination. Work authorized under an individual Order under this Agreement will be subject to the terms and conditions of that document.

6. None of the terms or conditions of this Agreement gives or allows any claim, benefit, or right of action by any third person not a party hereto. Nothing in this Agreement shall be deemed as any waiver of immunity or liability limits granted to SIPA or EGE by the Colorado Governmental Immunity Act or any similar statutory provision.
7. This Agreement (and related Orders) constitutes the entire agreement of the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified, or changed, in whole or part, only by written agreement approved by each party.
8. Neither SIPA nor its suppliers have responsibility for the accuracy or completeness of the electronic information contained within EGE's databases. SIPA and its suppliers shall be responsible only for the accurate and complete transmission of electronic information to and from such EGE databases, in accordance with the specifications of any EGE-owned software. For the purposes of the Colorado Open Records Act, EGE shall be the custodian of record. Neither SIPA nor its suppliers shall be deemed to be either the custodian of record or the custodian's agent.
9. This Agreement and any written amendments thereto may be executed in counterpart, each of which shall constitute an original and together, which shall constitute one and the same agreement. Delivery of an executed signature page of this Agreement will constitute effective and binding execution and delivery of this Agreement.
10. Confidential information for the purpose of this Agreement is information relating to SIPA's or EGE's research, development, trade secrets, business affairs, internal operations, management procedures, and information not disclosable to the public under the Colorado Open Records Act or some other law or privilege. Confidential information does not include information lawfully obtained through third parties, which is in the public domain, or which is developed independently without reference to a Party's confidential information. Neither Party shall use or disclose, directly or indirectly, without prior written authorization, any confidential information of the other. SIPA shall use its reasonable best efforts to ensure that its suppliers protect EGE confidential information from unauthorized disclosure. Notwithstanding anything to the contrary herein, each Party acknowledges that given the subject matter of this Agreement, such Party shall not disclose confidential information of the other (whether in written or electronic form) to any third party, except as required by law or as necessary to carry out the specific purpose of this Agreement; provided, however, that if such disclosure is

necessary, any third party who receives such confidential information shall also be bound by the nondisclosure provisions of this Section 10. Upon termination of this Agreement, the Parties shall return or destroy (at the other Party's request) all confidential information of the other and if such information is destroyed, each Party shall demonstrate evidence of such destruction to the other.

11. SIPA must approve all requests from EGE CUSTOMERS for Electronic Information, Products, and Services pursuant to an Order under this Agreement.

MISCELLANEOUS PROVISIONS

Independent Authority. SIPA shall perform its duties hereunder as an independent authority and not as an employee of EGE. Neither SIPA nor any agent or employee of SIPA shall be deemed to be an agent or employee of EGE. SIPA acknowledges that SIPA and its employees or agents are not entitled to EGE employment or unemployment benefits unless SIPA or a third party provides such benefits and that EGE does not pay for or otherwise provide such benefits. SIPA shall have no authorization, express or implied, to bind EGE to any agreements, liability, or understanding except as expressly authorized by EGE. SIPA and its agents shall provide and keep in force workers' compensation (and provide proof of such insurance when requested by EGE) and unemployment compensation insurance in the amount required by law, and shall be solely responsible for the acts of SIPA, its employees and agents.

Non-discrimination. SIPA agrees to comply with the letter and the spirit of all applicable state and federal laws respecting illegal discrimination and unfair employment practices.

Choice of Law. The laws of the State of Colorado (except Colorado laws related to choice of law or conflict of law) and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution, and enforcement of this Agreement. At all times during the performance of this Agreement, SIPA and EGE shall adhere to all applicable federal and state laws, rules, and regulations that have been or may hereafter be established. Any legal action related to this Agreement shall be brought in either a state or federal court within the City and County of Denver, Colorado.

Access to Data. SIPA shall have no access to EGE's data, including but not limited to PII and information protected by FERPA and HIPAA. All EGE data shall remain in possession of EGE. If a SIPA supplier may have access to PII, the SIPA supplier will be responsible for ensuring compliance with any regulations related to such access.

PCI Compliance. If at any point during the term of this Agreement, EGE performs payment processing through SIPA and the Portal Integrator, EGE agrees to identify a single point of contact for the EGE and maintain up to date contact information.

The single point of contact will:

- Assign security responsibility to a primary person;
- Ensure security policies are developed or adhere to state security policies and are practiced;

- Maintain an Information Security Policy that addresses Information Security for employees and contractors;
- Annually respond to the Compliance Validation Assessment or appropriate self-assessment questionnaires (SAQ);
- Annually train employees on security awareness that includes but is not limited to credit card payment account handling procedures, device inspection, and how to report security incidents. An online training link will be provided to the point of contact by SIPA or the Portal Integrator annually;
- Maintain an Incident Response Plan;
- Notify SIPA and the Portal Integrator, as soon as possible, whenever a suspected Incident has occurred involving cardholder data or credit card reading devices;
- Maintain up-to-date contact information with the Portal Integrator; and
- Identify the payment flow for the payment solutions implemented within its organization.

These requirements will be updated in writing by SIPA and the Portal Integrator if PCI security requirements change.

The above responsibilities will apply to all EGE payment processing, regardless of the supplier providing the services. Any EGE contracting with a payment processor supplier that is not the Portal Integrator may be subject to additional responsibilities related to the completion of the annual SAQ. In that event, the EGE or the payment processing supplier is responsible for management of the SAQ process as relates to that portion of the application capturing payment card information.

Website Accessibility. The Portal Integrator will comply with the requirements of HB21-1110 as relates to any website provided by SIPA to EGE to ensure that the platform on which the website is built and hosted is compliant. EGE agrees to comply with the requirements of HB21-1110 as relates to any website provided by SIPA to EGE to ensure that the content of any website provided by SIPA to EGE is compliant.

Software Piracy Prohibition. No State or other public funds payable under this Agreement shall knowingly be used for the acquisition, operation, or maintenance of computer software in violation of United States copyright laws or applicable licensing restrictions. SIPA hereby certifies that, for the term of this Agreement and any extensions, SIPA has in place appropriate systems and controls to prevent such improper use of public funds. If EGE determines that SIPA is in violation of this paragraph, EGE may exercise any remedy available at law or equity or under this Agreement, including, without limitation, immediate termination of the Agreement and any remedy consistent with United States copyright laws or applicable licensing restrictions.

Notices. All notices required or permitted under this Agreement shall be in writing and delivered personally, by facsimile, by email or by first class certified mail, return receipt. If delivered personally, notice shall be deemed given when received. If delivered by facsimile or email, notice shall be deemed given upon full transmission of such notice and confirmation of receipt during regular business hours. If delivered

by mail, notice shall be deemed given at the date and time indicated on the return receipt. Notices shall be delivered to:

If to SIPA:

Statewide Internet Portal Authority
Attn: EGE Administrator
950 South Cherry Street, Suite 900
Denver, CO 80246
Phone: (720) 409-5634
sipa@cosipa.gov

If to EGE:

Attn: Kristin Tompkins
Street Address: 2154 East Commons Avenue, Suite 2000
City, State, Zip: Centennial, CO 80122
Phone: (303) 858-1800
Email: ktompkins@wbapc.com

and/or


Attn:
Street Address:
City, State, Zip:
Phone:
Email:

and to other address or addresses as the parties may designate in writing.

Third Party Beneficiary. EGE shall enjoy those rights of a third party as may be set forth expressly in any contract between SIPA and its suppliers under which SIPA provides electronic information, products, and services to EGE.

Disputes. Any failure of either Party to perform in accordance with the terms of this Agreement shall constitute a breach of the Agreement. Any dispute concerning the performance of this Agreement which cannot be resolved at the operational level shall be referred to superior management and staff designated by each Party. Failing resolution at this level, EGE may ask the SIPA Board of Directors to address the dispute. If the dispute is not resolved after reference to the SIPA Board of Directors, the Parties may use whatever procedures may be available, including but not limited to termination of the Agreement.

This Agreement is entered into as of the day and year set forth above.

DocuSigned by:

B5EFB5D277A84E2...
Ajay Bagal, Executive Director
Statewide Internet Portal Authority
Date Signed: March 25, 2024

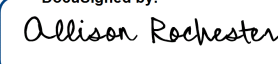
DocuSigned by:

ADCA86FBA00841F...
Sign Allison Rochester
Print Name Allison Rochester
Title President
Entity Highlands Metropolitan District No. 2
Date Signed: March 25, 2024

EXHIBIT B
2024 Assessed Valuation

New Tax Entity? ☐ YES ☒ NO

BROOMFIELD

COUNTY ASSESSOR

Date 11/22/2024

NAME OF TAX ENTITY: HIGHLANDS METRO DISTRICT 2 BOND

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 2024

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ 133,437
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$ 10,465,790
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$ 10,358,553
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$ 107,237
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.): ☐	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.	\$ \$241.73

‡ 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 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 2024

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$ 153,722,970
----	---	----	----------------

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 \$154,315,770

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.

New Tax Entity? ☐ YES ☒ NO

BROOMFIELD

COUNTY ASSESSOR

Date 11/22/2024

NAME OF TAX ENTITY: HIGHLANDS METRO DISTRICT 2 GEN

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 2024

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ 133,437
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$ 10,465,790
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$ 10,358,553
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$ 107,237
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.): ☐	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.	\$ \$22.25

‡ 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 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 2024

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$ 153,722,970
----	---	----	----------------

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 \$154,315,770

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.

EXHIBIT C
2025 Budget

HIGHLANDS METROPOLITAN DISTRICT NO. 2
2025
BUDGET MESSAGE

Attached please find a copy of the adopted 2025 budget for the Highlands Metropolitan District No. 2.

The Highlands Metropolitan District No. 2 has adopted a budget for three separate funds, a General Fund to provide for the payment of operating and maintenance 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 2025 will be specific ownership taxes and property tax revenue from the imposition of a 44.366 mill levy on property within the district for 2025, of which 3.740 mills will be dedicated to the General Fund and the balance of 40.626 mills will be allocated to the Debt Service Fund.

Highlands Metropolitan District No. 2
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	\$ 28,335	39,532	\$ 38,467	\$ 38,467	43,586
Revenues:					
Property taxes	582	499	312	499	401
TIF	39,823	38,132	37,727	37,727	38,160
Specific ownership taxes	2,110	2,534	799	1,500	1,145
Interest income	8,742	-	4,300	4,300	-
Total revenues	51,257	41,165	43,138	44,026	39,706
Total funds available	79,592	80,697	81,605	82,493	83,292
Expenditures:					
Audit	4,800	5,000	-	5,000	5,000
Accounting	11,033	5,500	6,204	10,000	10,000
Legal	17,089	15,000	10,185	18,000	20,000
Election	3,816	-	-	-	20,000
Insurance & bonds	2,876	3,400	4,313	4,400	5,000
Miscellaneous	1,500	1,500	-	1,500	1,500
Treasurer's fee	11	7	5	7	6
Contingency	-	49,378	-	-	19,941
Emergency reserve (3%)	-	912	-	-	1,845
Total expenditures	41,125	80,697	20,707	38,907	83,292
Ending fund balance	\$ 38,467	-	\$ 60,898	\$ 43,586	-
Current Year Total		10,484,480			10,465,790
Current year TIF		10,351,043			10,358,553
Assessed valuation		133,437			107,237
Mill Levy		3.740			3.740

Highlands Metropolitan District No. 2
Adopted Budget
Debt Service 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	\$ 6,243	352	\$ 2,167	\$ 2,167	41,385
Revenues:					
Property taxes	5,241	5,421	5,196	5,421	4,357
TIF	358,406	420,521	355,286	414,213	414,515
Specific ownership taxes	18,989	21,297	9,194	18,000	12,566
Interest Income	4,836	500	41	50	500
Total revenues	<u>387,472</u>	<u>447,739</u>	<u>369,717</u>	<u>437,684</u>	<u>431,938</u>
Total funds available	<u>393,715</u>	<u>448,091</u>	<u>371,884</u>	<u>439,851</u>	<u>473,323</u>
Expenditures:					
Trustee fee	-	1,500	1,500	1,500	1,500
Treasurer's fees	79	81	79	81	65
Loan interest	236,469	231,885	117,911	231,885	225,698
Loan principal	155,000	165,000	-	165,000	175,000
Total expenditures	<u>391,548</u>	<u>398,466</u>	<u>119,490</u>	<u>398,466</u>	<u>402,263</u>
Ending fund balance	<u>\$ 2,167</u>	<u>49,625</u>	<u>\$ 252,394</u>	<u>\$ 41,385</u>	<u>71,060</u>
Current Year Total		10,484,480			10,465,790
Current year TIF		10,351,043			10,358,553
Assessed valuation		<u>133,437</u>			<u>107,237</u>
Mill Levy		<u>40.626</u>			<u>40.626</u>