

RESOLUTION
ADOPTING BUDGET, APPROPRIATING SUMS OF MONEY AND CERTIFYING
MILL LEVIES FOR THE CALENDAR YEAR 2025

The Board of Directors of Highlands Metropolitan District No. 2 (the “**Board**”), City and County of Broomfield, Colorado (the “**District**”), held a special meeting, via teleconference on October 29, 2024, at the hour of 5:30 p.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2025 BUDGET

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2025 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE AMENDED 2024 BUDGET

The Board of Directors (the "Board") of the HIGHLANDS METROPOLITAN DISTRICT NO. 2 (the "District"), will hold a public hearing via teleconference on October 29th, 2024, at 5:30 p.m., to consider adoption of the District's proposed 2025 budget (the "Proposed Budget"), and, if necessary, adoption of an amendment to the 2024 budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:

https://us06web.zoom.
us/j/83748132741?pwd=rfclQX6WpZATaY3BxrBQPe1eqchbOu.1
Meeting ID: 837 4813 2741
Passcode: 977965

Call-in Number: +1-720-707-2699

The Proposed Budget and Amended Budget are available for inspection by the public at the offices of Simmons & Wheeler, 304 Inverness Way S #490, Englewood, CO 80112.

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.

The agenda for any meeting may be obtained at <https://highlandsmid2.colorado.gov/> or by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:
HIGHLANDS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Published: Broomfield Enterprise October 13, 2024-2079411

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

County of Broomfield
State of Colorado

The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Broomfield Enterprise*.
2. The *Broomfield Enterprise* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Broomfield County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Broomfield Enterprise* in Broomfield County on the following date(s):

Oct 13, 2024


Signature

Subscribed and sworn to me before me this

14th day of October, 2024.


Notary Public

(SEAL)

SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031965
MY COMMISSION EXPIRES July 31, 2025

Account: 1051175
Ad Number: 2079411
Fee: \$50.60

WHEREAS, the Board has appointed its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2025. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2025 as more specifically set out in the budget attached hereto.

Section 3. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut, or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 4. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of Broomfield County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager, or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 7. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED OCTOBER 29, 2024.

DISTRICT:

**HIGHLANDS METROPOLITAN DISTRICT
NO. 2**, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: Allison Rochester
Allison Rochester (Nov 7, 2024 11:43 MST)

Officer of the District

Attest:

By: Lloyd Rochester
Lloyd Rochester (Jan 17, 2025 11:30 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Kristi F. Bowes

General Counsel to the District

STATE OF COLORADO
COUNTY OF BROOMFIELD
HIGHLANDS METROPOLITAN DISTRICT NO. 2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Tuesday, October 29, 2024, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17 day of January ,
2025.

Lloyd Rochester
Lloyd Rochester (Jan 17, 2025 11:30 MST)

Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

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>