

BUDGET RESOLUTION

(2021)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

At the special meeting of the Board of Directors of Headwaters Metropolitan District, Town of Granby, County of Grand, Colorado, held at 8:00 AM on Friday, October 15, 2021, via virtual Zoom meeting. The following Board members were present:

Scott Johnson
Susanne Johnson

Also present were:

Clint Waldron, Emilee Hansen and Allison Hanson, White Bear Ankele Tanaka and Waldron; David Richardson and Katie Jenner, Husch Blackwell; Marcos Pacheco and Diane Rodriguez; Community Resource Services of Colorado. Natascha O’Flaherty, Town of Granby Representative; Ted Cherry, Manager Town of Granby ; Matt Girard, John Gillogley, Andrew Glenn and Kim Konkel

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a special meeting of the Board of Directors of the District and that a notice of the meeting was posted on the District’s website and at the Grand County Clerk and Recorder’s Office, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Scot Johnson introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HEADWATERS METROPOLITAN DISTRICT, TOWN OF GRANBY, GRAND COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2021 AND ENDING ON THE LAST DAY OF DECEMBER, 2021.

WHEREAS, the Board of Directors (the "Board") of the Headwaters Metropolitan District (the "District") has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2021; and

WHEREAS, the proposed 2021 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on June 17, 2021, in the Middle Park Times, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 8:00 AM on Friday, October 15, 2021, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEADWATERS METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2021 Revenues and 2021 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2021, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2021.

Section 3. 2021 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$-0-, and that the 2020 valuation for assessment, as certified by the Grand County Assessor, is \$ 58,210. That for the purposes of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a tax of zero mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2021.

Section 4. Certification to Board of County Commissioners. No mill levies were certified to the Grand County Board of County Commissioners

Section 5. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Susanne Johnson.

THIS RESOLUTION WAS APPROVED AND ADOPTED ON OCTOBER 15, 2021.

HEADWATERS METROPOLITAN DISTRICT

By: DocuSigned by:
Scot Johnson
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President

ATTEST:

DocuSigned by:
Sue Blair
2EFA9ED8300D4EC

Sue Blair, Secretary

STATE OF COLORADO
COUNTY OF GRAND
HEADWATERS METROPOLITAN DISTRICT

I, Sue Blair, hereby certify that I am a qualified Secretary of Headwaters Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 8:00 AM on Friday, October 15, 2021, via a virtual Zoom meeting, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2021; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on October 15, 2021.

DocuSigned by:
Sue Blair
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Sue Blair, Secretary

EXHIBIT A
2021 BUDGET DOCUMENT & BUDGET MESSAGE FOR
HEADWATERS METROPOLITAN DISTRICT

**HEADWATERS METROPOLITAN DISTRICT
GENERAL FUND
2021 ADOPTED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2019 & 2020 ACTUAL AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Adopted</u>
REVENUES			
Amenities rental fee	\$ 16,466	\$ 7,239	\$ -
IGA revenues	18,000	24,769	-
Developer contributions	-	-	260,000
Interest	407	123	25
Allocation from road maintenance fund	520	284	1,000
Miscellaneous	-	25	-
Total revenues	<u>35,393</u>	<u>32,440</u>	<u>261,025</u>
EXPENDITURES			
Audit	-	5,200	-
District management and accounting	26,103	44,874	60,000
Election	7,959	13,068	-
Insurance and SDA dues	6,223	5,050	6,500
Legal	27,517	64,928	225,000
Miscellaneous	870	2,061	2,500
Emergency reserve (3%)	-	-	7,800
Total expenditures	<u>68,672</u>	<u>135,181</u>	<u>301,800</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(33,279)</u>	<u>(102,741)</u>	<u>(40,775)</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	33,408	142,609	-
Transfer to golf course fund	-	-	(536)
Transfer from lease purchase fund	-	-	1,082
Total other financing sources (uses)	<u>33,408</u>	<u>142,609</u>	<u>546</u>
NET CHANGE IN FUND BALANCE	129	39,868	(40,229)
BEGINNING FUND BALANCE	<u>9,881</u>	<u>10,010</u>	<u>49,878</u>
ENDING FUND BALANCE	<u>\$ 10,010</u>	<u>\$ 49,878</u>	<u>\$ 9,649</u>

**HEADWATERS METROPOLITAN DISTRICT
GOLF COURSE OPERATIONS FUND
2021 ADOPTED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2019 & 2020 ACTUAL AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Adopted</u>
REVENUES			
Golf course revenue	\$ -	\$ 341,713	\$ -
Miscellaneous	-	-	2,973
Total revenues	<u>-</u>	<u>341,713</u>	<u>2,973</u>
EXPENDITURES			
Golf course operations	-	338,490	-
Miscellaneous	-	-	6,732
Total expenditures	<u>-</u>	<u>338,490</u>	<u>6,732</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>3,223</u>	<u>(3,759)</u>
OTHER FINANCING USES			
Transfer from general fund	-	-	536
Total other financing uses	<u>-</u>	<u>-</u>	<u>536</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>3,223</u>	<u>(3,223)</u>
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>	<u>3,223</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 3,223</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
CAPITAL IMPROVEMENTS FUND
2021 ADOPTED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2019 & 2020 ACTUAL AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Adopted</u>
REVENUES			
Interest	\$ 1	\$ 11	\$ -
Total revenues	<u>1</u>	<u>11</u>	<u>-</u>
EXPENDITURES			
Capitalized legal	4,800	-	-
F10 - Cumulus Rd - Ph1A	648,507	-	-
Road repairs - escrow/engineering contingency	218,853	-	-
Total expenditures	<u>872,160</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(872,159)</u>	<u>11</u>	<u>-</u>
OTHER FINANCING SOURCES			
Developer advances	413,014	-	-
Road escrow fund releases	459,159	-	-
Total other financing sources	<u>872,173</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	14	11	-
BEGINNING FUND BALANCE	<u>1,036</u>	<u>1,050</u>	<u>1,061</u>
ENDING FUND BALANCE	<u>\$ 1,050</u>	<u>\$ 1,061</u>	<u>\$ 1,061</u>

**HEADWATERS METROPOLITAN DISTRICT
LEASE PURCHASE AGREEMENT (LPA) SPECIAL REVENUE FUND
2021 ADOPTED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2019 & 2020 ACTUAL AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Adopted</u>
REVENUES			
Amenity fee	\$ 120,000	\$ 10,000	\$ -
Interest	5	2	-
Total revenues	<u>120,005</u>	<u>10,002</u>	<u>-</u>
EXPENDITURES			
Lease-purchase payments	120,000	10,000	-
Total expenditures	<u>120,000</u>	<u>10,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5</u>	<u>2</u>	<u>-</u>
Other financing uses			
Transfer to general fund	-	-	(1,082)
Total other financing usus	<u>-</u>	<u>-</u>	<u>(1,082)</u>
NET CHANGE IN FUND BALANCE	5	2	(1,082)
BEGINNING FUND BALANCE	<u>1,075</u>	<u>1,080</u>	<u>1,082</u>
ENDING FUND BALANCE	<u>\$ 1,080</u>	<u>\$ 1,082</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
ROAD MAINTENANCE FUND
2021 ADOPTED BUDGET - MODIFIED ACCRUAL BASIS
WITH 2019 & 2020 ACTUAL AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Adopted</u>
REVENUES			
KMHD	\$ 5,475	\$ 5,969	\$ 11,000
Total revenues	<u>5,475</u>	<u>5,969</u>	<u>11,000</u>
EXPENDITURES			
KMHD snow removal	4,955	5,685	10,000
Facilities management fee	260	-	500
Allocated overhead	260	284	500
Total expenditures	<u>5,475</u>	<u>5,969</u>	<u>11,000</u>
NET CHANGE IN FUND BALANCE	-	-	-
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
 ASSESSED VALUATION - GRAND COUNTY**

	2019	2020	Final 2021
Assessed Valuation	\$ 78,290	\$ 58,210	\$ 58,210
MILL LEVY			
General Fund	0.000	0.000	0.000
Capital Expenditures	0.000	0.000	0.000
Total Mill Levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
PROPERTY TAXES			
General Fund	\$ -	\$ -	\$ -
Capital Expenditures	-	-	-
Total Property Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
2021 BUDGET**

SUMMARY OF SIGNIFICANT ASSUMPTIONS

2021 BUDGET MESSAGE

Headwaters Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to supply the necessary services of water, streets, parks & recreation, safety protection, sanitary sewer, and mosquito control.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2021 BUDGET STRATEGY

The District's strategy is to strive to provide the type of public-purpose facilities desired by the property owners of the District in the most economic manner possible.

The General Fund is responsible for maintaining the general operations. The transportation and road operations and maintenance responsibilities have been transferred to Granby Ranch Conservancy therefore the District will have no expenses related to these functions other than minor revenues and expenses for plowing of an adjacent property. The District anticipates receiving contributions from GRCO LLC to fund the operation costs budgeted for 2020.