

BUDGET RESOLUTION

(2022)

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 Thursday, December 9, 2021, via virtual Zoom meeting. The following Board members were present:

Scott Johnson
Susanne Johnson

Also present were:

Clint Waldron and Blair Dickhoner; White Bear Ankele Tanaka and Waldron
David Richardson and Katie Jenner; Husch Blackwell
Marcos Pacheco; Community Resource Services of Colorado

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 to the best of their knowledge, remains posted to the date of this meeting.

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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, CERTIFYING A ZERO MILL LEVY 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, 2022 AND ENDING ON THE LAST DAY OF DECEMBER, 2022.

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 2022 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 December 2, 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 Thursday, December 9, 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 2022 Revenues and 2022 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2022, 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 2022.

Section 3. 2022 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 2021 valuation for assessment, as certified by the Grand County Assessor, is \$ 64,210. That for the purposes of meeting all general operating expenses of the District during the 2022 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 2022.

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.

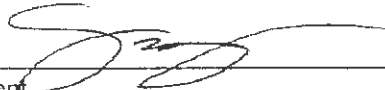
Section 6. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Susanne Johnson.

THIS RESOLUTION WAS APPROVED AND ADOPTED ON DECEMBER 9, 2021.

HEADWATERS METROPOLITAN DISTRICT

By:



President

ATTEST:

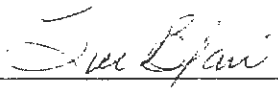


Secretary

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 Thursday, December 9, 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 2022; 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 December 9, 2021.



Secretary

EXHIBIT A
2022 BUDGET DOCUMENT & BUDGET MESSAGE FOR
HEADWATERS METROPOLITAN DISTRICT

**HEADWATERS METROPOLITAN DISTRICT
GENERAL FUND
2022 ADOPTED BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Estimated	2022 Adopted
REVENUES			
Amenities rental fee	\$ 7,239	\$ -	\$ -
Interest	123	25	25
Allocation from road maintenance fund	284	1,000	1,000
Developer contributions	-	260,000	160,000
Miscellaneous	25	-	-
Total revenues	<u>7,671</u>	<u>261,025</u>	<u>161,025</u>
EXPENDITURES			
Audit	5,200	-	-
District management and accounting	44,874	60,000	50,000
Election	13,068	-	5,000
Insurance and SDA dues	5,050	6,500	6,500
Legal	64,928	225,000	100,000
Miscellaneous	2,061	2,500	2,500
Emergency reserve contribution (3%)	-	7,800	4,800
Total expenditures	<u>135,181</u>	<u>301,800</u>	<u>168,800</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(127,510)</u>	<u>(40,775)</u>	<u>(7,775)</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	167,378	-	-
Transfer to golf course fund	-	(536)	-
Transfer from lease purchase fund	-	1,082	-
Total other financing sources (uses)	<u>167,378</u>	<u>546</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	39,868	(40,229)	(7,775)
BEGINNING FUND BALANCE	<u>10,010</u>	<u>49,878</u>	<u>9,649</u>
ENDING FUND BALANCE	<u>\$ 49,878</u>	<u>\$ 9,649</u>	<u>\$ 1,874</u>

**HEADWATERS METROPOLITAN DISTRICT
GOLF COURSE OPERATIONS FUND
2022 ADOPTED BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2020 Actual</u>	<u>2021 Estimated</u>	<u>2022 Adopted</u>
REVENUES			
Golf course revenue	\$ 341,713	\$ -	\$ -
Miscellaneous	-	2,973	-
Total revenues	<u>341,713</u>	<u>2,973</u>	<u>-</u>
EXPENDITURES			
Golf course operations	338,490	-	-
Miscellaneous	-	6,732	-
Total expenditures	<u>338,490</u>	<u>6,732</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,223</u>	<u>(3,759)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfer from general fund	-	536	-
Total other financing sources	<u>-</u>	<u>536</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	3,223	(3,223)	-
BEGINNING FUND BALANCE	<u>-</u>	<u>3,223</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 3,223</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
 CAPITAL IMPROVEMENTS FUND
 2022 ADOPTED BUDGET
 WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
 FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2020 Actual</u>	<u>2021 Estimated</u>	<u>2022 Adopted</u>
REVENUES			
Interest	\$ 11	\$ -	\$ -
Total revenues	<u>11</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	11	-	-
BEGINNING FUND BALANCE	<u>1,050</u>	<u>1,061</u>	<u>1,061</u>
ENDING FUND BALANCE	<u>\$ 1,061</u>	<u>\$ 1,061</u>	<u>\$ 1,061</u>

**HEADWATERS METROPOLITAN DISTRICT
LEASE PURCHASE AGREEMENT (LPA) SPECIAL REVENUE FUND
2022 ADOPTED BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2020 Actual</u>	<u>2021 Estimated</u>	<u>2022 Adopted</u>
REVENUES			
Amenity fee	\$ 10,000	\$ -	\$ -
Interest	2	-	-
Total revenues	<u>10,002</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Lease-purchase payments	10,000	-	-
Total expenditures	<u>10,000</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2</u>	<u>-</u>	<u>-</u>
Other financing uses			
Transfer to general fund	-	(1,082)	-
Total other financing uses	<u>-</u>	<u>(1,082)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2	(1,082)	-
BEGINNING FUND BALANCE	<u>1,080</u>	<u>1,082</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 1,082</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
ROAD MAINTENANCE FUND
2022 ADOPTED BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2020 Actual	2021 Estimated	2022 Adopted
REVENUES			
KMHD	\$ 5,969	\$ 11,000	\$ 11,000
Total revenues	<u>5,969</u>	<u>11,000</u>	<u>11,000</u>
EXPENDITURES			
KMHD snow removal	5,685	10,000	10,000
Facilities management fee	-	500	500
Allocated overhead	284	500	500
Total expenditures	<u>5,969</u>	<u>11,000</u>	<u>11,000</u>
NET CHANGE IN FUND BALANCE	-	-	-
BEGINNING FUND BALANCE	-	-	-
ENDING FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of GRAND COUNTY, Colorado.

On behalf of the HEADWATERS METROPOLITAN DISTRICT

(taxing entity)^A

the BOARD OF DIRECTORS

(governing body)^B

of the HEADWATERS METROPOLITAN DISTRICT

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 64,210 assessed valuation of:

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/11/2021 for budget/fiscal year 2022
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)


LEVY²

REVENUE²

1. General Operating Expenses ^H	<u>0</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u> </u> > mills	\$ < <u> </u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>0</u> mills	\$ <u>0</u>
3. General Obligation Bonds and Interest ^J	<u> </u> mills	\$ <u> </u>
4. Contractual Obligations ^K	<u> </u> mills	\$ <u> </u>
5. Capital Expenditures ^L	<u> </u> mills	\$ <u> </u>
6. Refunds/Abatements ^M	<u> </u> mills	\$ <u> </u>
7. Other ^N (specify): <u> </u>	<u> </u> mills	\$ <u> </u>
	<u> </u> mills	\$ <u> </u>

TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]

0 mills \$ 0

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960
Signed:  Title: District Manager

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

HEADWATERS METROPOLITAN DISTRICT

2022 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.

2022 BUDGET STRATEGY

The District's strategy is to strive to provide the type of public-purpose facilities desired by the property owners and residents 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 2022.