

**HIGHLAND PARK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Introduction

The Highland Park Metropolitan District (“the District”) is a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court on October 6, 1983, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Arapahoe County.

The District was established to provide financing for streets, safety inspection, transportation, parks and recreational improvements, television relay and translator, and mosquito control within its boundaries.

On November 4, 1997, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$1,850,000 for infrastructure improvements at an interest rate not to exceed 10% and authorized an annual operations mill levy of up to 10.000 mills. On November 2, 1999, the District's electors authorized the District to collect, retain and spend all revenue without regard to any limitations under TABOR.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

REVENUES

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The primary source of ongoing revenue is property taxes. For tax year 2023, the District adopted a general fund mill levy of 8.790 mills and a mill levy of .596 for Abatements, generating \$583,364 in property tax.

Specific Ownership Taxes

Specific ownership taxes are collected by the County Treasurer from vehicle licensing within the County as a whole and distributed by the County Treasurer to all taxing entities on a prorated basis.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1%.

EXPENDITURES

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, banking, and meeting expense. Estimated expenditures related to landscaping, repairs and maintenance, utilities, and street light operations were also included in the budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections

Capital Repair and Replacement

The District anticipates capital repair and replacement expenditures in 2022 of \$290,000.

Debt and Leases

The District has no outstanding indebtedness, nor any operating or capital leases.

RESERVES

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2023, as defined under TABOR.

BUDGET RESOLUTION

(2023)

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 Tuesday, November 15, 2022, via virtual Zoom meeting.

<https://us06web.zoom.us/j/87346970205?pwd=b0s5clQ0T0hUcE0vMVprS1MrNldFdz09>

Meeting ID: 873 4697 0205 Passcode: 4778833 Telephone: 1 720 707 2699

The following Board members were present:

- Scott Johnson
- Susanne Johnson
- Matthew Mark Hoover
- Roxanne Fairchild Hoover

Also present were:

- Clint Waldron and Blair Dickhoner; White Bear Ankele Tanaka and Waldron
- David Richardson and Katie Jenner; Husch Blackwell
- Sue Blair and 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 Scot 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, 2023 AND ENDING ON THE LAST DAY OF DECEMBER, 2023.

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, 2022; 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 November 10, 2022, 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 Tuesday, November 15, 2022, 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 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, 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 2023.

Section 3. 2023 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 \$ 118,500, and that the 2022 valuation for assessment, as certified by the Grand County Assessor, is \$ 62,680.00 . That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 0.000 zero mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2023.

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.

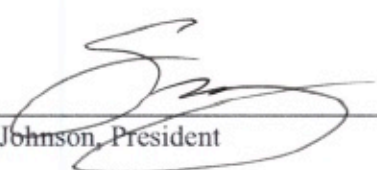
Section 6. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Susanne Johnson .

THIS RESOLUTION WAS APPROVED AND ADOPTED ON NOVEMBER 15, 2022.

HEADWATERS METROPOLITAN DISTRICT

By:



Scot Johnson, President

ATTEST:

DocuSigned by:


Sue Blair

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Sue Blair, Secretary to the Board

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 Tuesday, November 2022, via a virtual Zoom meeting,

<https://us06web.zoom.us/j/87346970205?pwd=b0s5clQ0T0hUcE0vMVprS1MrNldFdz09>

Meeting ID: 873 4697 0205 Passcode: 477883 Telephone: 1 720 707 2699

as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; 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 November 15, 2022.

DocuSigned by:

Sue Blair

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Sue Blair, Secretary to the Board

EXHIBIT A
2023 BUDGET DOCUMENT & BUDGET MESSAGE FOR
HEADWATERS METROPOLITAN DISTRICT

**HEADWATERS METROPOLITAN DISTRICT
GENERAL FUND
2023 ADOPTED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES			
Interest	\$ 16	\$ 25	\$ -
Allocation from road maintenance fund	425	-	-
Developer contributions	176,449	193,551	-
Total revenues	<u>176,890</u>	<u>193,576</u>	<u>-</u>
EXPENDITURES			
District management and accounting	57,432	50,000	50,000
Dues & subscriptions	494	-	-
Election	-	4,088	5,000
IGA expenses	40,651	-	1,000
Insurance and SDA dues	4,236	4,703	6,500
Legal	189,513	50,000	50,000
Miscellaneous	1,313	3,000	2,500
Emergency reserve contribution (3%)	-	4,800	3,500
Total expenditures	<u>293,639</u>	<u>116,591</u>	<u>118,500</u>
EXCESS OF EXPENDITURES OVER (UNDER) REVENUES	<u>(116,749)</u>	<u>76,985</u>	<u>(118,500)</u>
OTHER FINANCING SOURCES			
Developer advances	-	-	118,500
Transfer from capital improvements fund	-	1,061	-
Transfer from golf course fund	324	-	-
Transfer from lease purchase fund	1,082	-	-
Total other financing sources	<u>1,406</u>	<u>1,061</u>	<u>118,500</u>
NET CHANGE IN FUND BALANCE	(115,343)	78,046	-
BEGINNING FUND BALANCE (DEFICIT)	<u>49,878</u>	<u>(65,465)</u>	<u>12,581</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ (65,465)</u>	<u>\$ 12,581</u>	<u>\$ 12,581</u>

**HEADWATERS METROPOLITAN DISTRICT
GOLF COURSE OPERATIONS FUND
2023 ADOPTED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES			
Golf course revenue	\$ -	\$ -	\$ -
Miscellaneous	2,973	-	-
Total revenues	<u>2,973</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Golf course operations	5,575	-	-
Miscellaneous	297	-	-
Total expenditures	<u>5,872</u>	<u>-</u>	<u>-</u>
EXCESS OF EXPENDITURES UNDER REVENUES	<u>(2,899)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES			
Transfer to general fund	(324)	-	-
Total other financing uses	<u>(324)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(3,223)	-	-
BEGINNING FUND BALANCE	<u>3,223</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**HEADWATERS METROPOLITAN DISTRICT
 AMENITY FEE FUND
 2023 ADOPTED BUDGET
 WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
 FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES			
Amenity fee	\$ -	\$ 150,000	\$ -
Total revenues	<u>-</u>	<u>150,000</u>	<u>-</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	150,000	-
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>	<u>150,000</u>
ENDING FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ 150,000</u></u>

**HEADWATERS METROPOLITAN DISTRICT
CAPITAL IMPROVEMENTS FUND
2023 ADOPTED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2021 Actual</u>	<u>2022 Estimated</u>	<u>2023 Adopted</u>
REVENUES			
Total revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Total expenditures	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING USES			
Transfer to general fund	-	(1,061)	-
Total other financing uses	-	(1,061)	-
NET CHANGE IN FUND BALANCE	-	(1,061)	-
BEGINNING FUND BALANCE	1,061	1,061	-
ENDING FUND BALANCE	<u>\$ 1,061</u>	<u>\$ -</u>	<u>\$ -</u>

**HEADWATERS METROPOLITAN DISTRICT
ROAD MAINTENANCE FUND
2023 ADOPTED BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2021 Actual	2022 Estimated	2023 Adopted
REVENUES			
KMHD	\$ 7,662	\$ -	\$ -
Total revenues	<u>7,662</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
KMHD snow removal	7,237	-	-
Facilities management fee	150	-	-
Allocated overhead	275	-	-
Total expenditures	<u>7,662</u>	<u>-</u>	<u>-</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
 LEASE PURCHASE AGREEMENT (LPA) SPECIAL REVENUE FUND
 2023 ADOPTED BUDGET
 WITH 2021 ACTUAL AND 2022 ESTIMATED AMOUNTS
 FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>2021 Actual</u>	<u>2022 Estimated</u>	<u>2023 Adopted</u>
REVENUES			
Total revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Lease-purchase payments	-	-	-
Total expenditures	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
Other financing uses			
Transfer to general fund	(1,082)	-	-
Total other financing uses	(1,082)	-	-
NET CHANGE IN FUND BALANCE	(1,082)	-	-
BEGINNING FUND BALANCE	1,082	-	-
ENDING FUND BALANCE	<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 \$ 62,680 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: 12/11/2022 for budget/fiscal year 2023 (not later than Dec. 15) (dd/mm/yyyy) (yyyy)

Table with 3 columns: PURPOSE (see end notes for definitions and examples), LEVY², and REVENUE². Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, and various other categories leading to a TOTAL of 0 mills and \$ 0 revenue.

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

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720

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).