

HIGHLANDS METROPOLITAN DISTRICT NO. 3

2019 ANNUAL REPORT

Pursuant to the Service Plan of Highlands Metropolitan District No. 3 (the “District”), the District is required to submit an annual report to the City and County of Broomfield, Colorado (“Broomfield”) for the proceeding calendar year.

To the best of our actual knowledge, for the year ending December 31, 2019, the District makes the following report:

A. Boundary changes made or proposed.

There were no boundary changes made or proposed within the District in 2019.

B. Intergovernmental Agreements with other governmental bodies entered into or proposed.

- Amended and Restated Cooperation Agreement Between the City and County of Broomfield and Broomfield Urban Renewal Authority For Highlands Metropolitan District Nos. 1 & 3

- Reimbursement Agreement by and between the Broomfield Urban Renewal Authority and the District

C. Changes or proposed changes in the District’s policies.

There were no changes or proposed changes in the District’s policies in 2019.

D. Changes or proposed changes in the District's operations.

There were no changes or proposed changes in the District’s operations in 2019.

E. Any changes in the financial status of the District including revenue projections, or operating costs.

A copy of the District’s 2020 budget is attached hereto as **Exhibit A**.

F. A summary of any litigation, which involves the District.

To our actual knowledge, based on review of the court records in Broomfield County, there is no litigation involving the District as of December 31, 2019.

G. Proposed plans for the year immediately following the year summarized in the annual report.

The District has no construction or development plans for 2020. All construction is being undertaken by the developer.

H. Current assessed valuation in the District.

The 2019 assessed valuation is attached hereto as **Exhibit B**.

EXHIBIT A
2020 Budget

**RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**

(2020)

The Board of Directors of Highlands Metropolitan District No. 3 (the “Board”), City and County of Broomfield, Colorado (the “District”) held a special meeting at 2154 E. Commons Avenue, Suite 2000, Centennial, Colorado, on Wednesday, October 9, 2019, at the hour of 11:30 A.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 2020 BUDGET

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2020 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE AMENDED 2019 BUDGET

NOTICE IS HEREBY GIVEN that a proposed 2020 budget has been submitted to the Board of Directors (the "Board") of the HIGHLANDS METROPOLITAN DISTRICT NO. 3 (the "District"). A copy of the proposed budget is on file in the office of Simmons & Wheeler, P.C., 304 Inverness Way South, Suite 490, Englewood, Colorado, where the same is open for public inspection.

NOTICE IS FURTHER GIVEN that an amendment to the 2019 budget has been submitted to the District. A copy of the proposed amended budget is on file in the office of Simmons & Wheeler, P.C., 304 Inverness Way South, Suite 490, Englewood, Colorado, where the same is open for public inspection.

Such proposed budget and amended budget will be considered at a public hearing during a meeting of the District to be held at 2154 E. Commons Avenue, Suite 2000, Centennial, Colorado, on Wednesday, October 9, 2019 at 11:30 A.M. Any interested elector of the District may file any objections to the proposed budget or amended budget at any time prior to final adoption of the budget and amended budget by the governing body of the District.

BY ORDER OF THE BOARD OF DIRECTORS:
HIGHLANDS METROPOLITAN DISTRICT NO. 3

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law
Published: Broomfield Enterprise October 3, 2019--1640850

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

County of Broomfield
State of Colorado

The undersigned, JD Geddes, 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 3, 2019



Signature

Subscribed and sworn to me before me this

3rd day of October, 2019.



Notary Public

SHAYLA NAJERA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174031965
MY COMMISSION EXPIRES JULY 31, 2021

(SEAL)

Account: 1051175
Ad Number: 1640850
Fee: \$42.68

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board has authorized 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 open for inspection by the public at a designated place, a public hearing was held on October 9, 2019, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to 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 2020. 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 for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of 55.664 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2020 budget year, there is hereby levied a tax of 0.000

mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. 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 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. 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 9. 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.

[Remainder of page intentionally left blank.]

ADOPTED THIS 9TH DAY OF OCTOBER, 2019.

HIGHLANDS METROPOLITAN DISTRICT NO. 3




Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
HIGHLANDS METROPOLITAN DISTRICT NO. 3

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 on Wednesday, October 9, 2019, at 2154 E. Commons Avenue, Suite 2000, Centennial, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 9th day of October, 2019.



EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

HIGHLANDS METROPOLITAN DISTRICT NO. 3
2020
BUDGET MESSAGE

Attached please find a copy of the adopted 2020 budget for Highlands Metropolitan District No. 3.

The Highlands Metropolitan District No. 3 has adopted a budget for one fund, a General Fund to provide for the payment of general operating expenditures.

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 source of revenue for the District in 2020 will be developer advances. The District intends to impose a 55.664 mill levy on the property within the District for 2020, which will be dedicated to the General Fund.

Highlands Metropolitan District No.3
Adopted Budget
General Fund
For the Year ended December 31, 2020

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimate <u>2019</u>	Adopted Budget <u>2020</u>
Beginning fund balance	\$ 4,451	-	\$ -	\$ -	-
Revenues:					
Property taxes	-	1	69	1	6
TIF	-	67	(67)	67	325
Specific ownership taxes	-	-	2	4	4
Developer advances	14,304	44,932	13,903	17,286	44,665
Interest income	-	-	-	-	-
Total revenues	<u>14,304</u>	<u>45,000</u>	<u>13,907</u>	<u>17,358</u>	<u>45,000</u>
Total funds available	<u>18,755</u>	<u>45,000</u>	<u>13,907</u>	<u>17,358</u>	<u>45,000</u>
Expenditures:					
Audit	-	-	-	-	-
Accounting	2,081	10,000	1,590	3,000	10,000
Legal	10,723	15,000	5,450	10,000	15,000
Election	-	-	-	-	-
Insurance & bonds	3,024	2,500	2,858	2,858	2,500
Miscellaneous	72	825	1,324	1,500	825
Planning and Engineering	2,855	-	-	-	-
Treasurer's fee	-	-	-	-	-
Contingency	-	15,825	-	-	15,825
Emergency reserve (3%)	-	850	-	-	850
Total expenditures	<u>18,755</u>	<u>45,000</u>	<u>11,222</u>	<u>17,358</u>	<u>45,000</u>
Ending fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ 2,685</u>	<u>\$ -</u>	<u>-</u>
Current Year Total		1,240			5,950
Current year TIF		1,213			5,843
Assessed valuation		<u>27</u>			<u>107</u>
Mill Levy		<u>55.277</u>			<u>55.664</u>

EXHIBIT B
Assessed Valuation

AMENDED CERTIFICATION OF VALUES

Name of Jurisdiction: HIGHLANDS METRO DIST 3

New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 39-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2019
In **Broomfield County** On 12/03/2019 Are:

Previous Year's Net Total Assessed Valuation:	\$27
Current Year's Gross Total Assessed Valuation:	\$5,950
(-) Less TIF district increment, if any:	\$5,843
Current Year's Net Total Assessed Valuation:	\$107
New Construction*:	\$0
Increased Production of Producing Mines**:	\$0
ANNEXATIONS/INCLUSIONS:	\$0
Previously Exempt Federal Property**:	\$0
New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***:	\$0
Taxes Received last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified.	\$0.00
Taxes Abated or Refunded as of August 1 (39-10-114(1)(a)(1)(B) C.R.S.):	\$0.00

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 a certification to the Division of Local Government in order for a value to be accrued (DLG52 & 52A)

*** Jurisdiction must submit an application to the Division of Local Government in order for a value to be accrued. (DLG 52B)

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2019
In **Broomfield County** On 12/03/2019 Are:

Current Year's Total Actual Value of All Real Property*:	\$3,980
ADDITIONS TO TAXABLE REAL PROPERTY: Construction of taxable real property improvements**:	\$0
ANNEXATIONS/INCLUSIONS:	\$0
Increased Mining Production***:	\$0
Previously exempt property:	\$0
Oil or Gas production from a new well:	\$0
Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported):	\$0
DELETIONS FROM TAXABLE REAL PROPERTY IMPROVEMENTS: Destruction of taxable property improvements.	\$0
Disconnections/Exclusions:	\$0
Previously Taxable Property:	\$0

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

** Construction is defined as newly constructed taxable real property structures.

*** Includes production from a new mine and increase in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2019