

HIGHLANDS METROPOLITAN DISTRICT NO. 3

2024 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for Highlands Metropolitan District No. 3 (the “**District**”), the District is required to provide an annual report to the City and County of Broomfield, Colorado (“**Broomfield**”) with regard to the following matters:

For the year ending December 31, 2024, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made

The District did not have any boundary changes in 2024.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

There were no new intergovernmental agreements entered into or terminated in 2024.

3. Access information to obtain a copy of rules and regulations adopted by the board.

The District has not adopted any rules and regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Broomfield County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2024.

5. The status of the construction of public improvements by the District.

The District did not construct any public improvements in 2024. The public improvements to serve the property within the District are being constructed by Vista Highlands Development Corporation.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

No facilities or improvements were constructed by the District that were conveyed or dedicated to Broomfield as of December 31, 2024. The facilities and improvements to serve the property within the District are being constructed by Vista Highlands Development Corporation.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The 2024 final assessed valuation of the District is attached hereto as **Exhibit A**.

8. A copy of the current year's budget.

A copy of the 2025 Budget is attached hereto as **Exhibit B**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2024 Audit is in process and will be submitted in a Supplemental Annual Report.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

To our actual knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period, under any Debt instrument.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

To our actual knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A
2024 Final Assessed Valuation

New Tax Entity? YES NO

BROOMFIELD COUNTY ASSESSOR

Date 11/22/2024

NAME OF TAX ENTITY: HIGHLANDS METRO DISTRICT 3

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

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2024:

1.	PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ 35,881
2.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$ 7,817,000
3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$ 7,736,904
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$ 80,096
5.	NEW CONSTRUCTION: *	5.	\$ 3,435,050
6.	INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$ 0
7.	ANNEXATIONS/INCLUSIONS:	7.	\$ 0
8.	PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$ 0
9.	NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): ☉	9.	\$ 0
10.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$ 0.00
11.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$ 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 to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
- ☉ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC. 20, COLO. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE **BROOMFIELD** County ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2024:

1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$ 37,370,990
ADDITIONS TO TAXABLE REAL PROPERTY			
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	\$ 15,679,750
3.	ANNEXATIONS/INCLUSIONS:	3.	\$ 0
4.	INCREASED MINING PRODUCTION: §	4.	\$ 0
5.	PREVIOUSLY EXEMPT PROPERTY:	5.	\$ 0
6.	OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$ 0
7.	TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$ 0

DELETIONS FROM TAXABLE REAL PROPERTY

8.	DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$ 0
9.	DISCONNECTIONS/EXCLUSIONS:	9.	\$ 0
10.	PREVIOUSLY TAXABLE PROPERTY:	10.	\$ 0

- ¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
- * Construction is defined as newly constructed taxable real property structures.
- § Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:
TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY \$42,831,290

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:
 HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$ 0
 *** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

New Tax Entity? YES NO

BROOMFIELD COUNTY ASSESSOR

Date 11/22/2024

NAME OF TAX ENTITY: HIGHLANDS METRO DIST 3 BOND

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

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2024:

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3.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$ 7,736,904
4.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$ 80,096
5.	NEW CONSTRUCTION: *	5.	\$ 3,435,050
6.	INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$ 0
7.	ANNEXATIONS/INCLUSIONS:	7.	\$ 0
8.	PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$ 0
9.	NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): ☐	9.	\$ 0
10.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$ 0.00
11.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$ 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 to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
- ☐ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

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1.	CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$ 37,370,990
ADDITIONS TO TAXABLE REAL PROPERTY			
2.	CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2.	\$ 15,679,750
3.	ANNEXATIONS/INCLUSIONS:	3.	\$ 0
4.	INCREASED MINING PRODUCTION: §	4.	\$ 0
5.	PREVIOUSLY EXEMPT PROPERTY:	5.	\$ 0
6.	OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$ 0
7.	TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$ 0

DELETIONS FROM TAXABLE REAL PROPERTY

8.	DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$ 0
9.	DISCONNECTIONS/EXCLUSIONS:	9.	\$ 0
10.	PREVIOUSLY TAXABLE PROPERTY:	10.	\$ 0

- ¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
- * Construction is defined as newly constructed taxable real property structures.
- § Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:
TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY \$42,831,290

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:
 HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$ 0
 *** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

New Tax Entity? YES NO

BROOMFIELD COUNTY ASSESSOR

Date 11/22/2024

NAME OF TAX ENTITY: HIGHLANDS METRO DIST 3 EXCLUSION ORDER

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

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2024

Table with 11 rows listing valuation items and amounts. 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: \$11,385. 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: \$949,420. 3. LESS TOTAL TIF AREA INCREMENTS, IF ANY: \$939,692. 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: \$9,728. 5. NEW CONSTRUCTION: \$0. 6. INCREASED PRODUCTION OF PRODUCING MINE: \$0. 7. ANNEXATIONS/INCLUSIONS: \$0. 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: \$0. 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): \$0. 10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.): \$0.00. 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(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 to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.
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USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART.X, SEC.20, COLO. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE BROOMFIELD County ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2024

Table with 7 rows listing actual valuation items and amounts. 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: \$3,380,720. ADDITIONS TO TAXABLE REAL PROPERTY: 2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: \$0. 3. ANNEXATIONS/INCLUSIONS: \$0. 4. INCREASED MINING PRODUCTION: \$0. 5. PREVIOUSLY EXEMPT PROPERTY: \$0. 6. OIL OR GAS PRODUCTION FROM A NEW WELL: \$0. 7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: \$0.

WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY

Table with 3 rows listing deletions from taxable real property. 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: \$0. 9. DISCONNECTIONS/EXCLUSIONS: \$0. 10. PREVIOUSLY TAXABLE PROPERTY: \$0.

- ¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.
* Construction is defined as newly constructed taxable real property structures.
§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY \$3,402,940

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$0

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT B
2025 Budget

HIGHLANDS METROPOLITAN DISTRICT NO. 3
2025
BUDGET MESSAGE

Attached please find a copy of the adopted 2025 budget for the Highlands Metropolitan District No. 3.

The Highlands Metropolitan District No. 3 has adopted a budget for three separate funds, a General Fund to provide for the payment of operating and maintenance expenditures; a Capital Projects Fund to provide for estimated infrastructure costs that are to be built for the benefit of the district; 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 developer advances and property tax revenue from the imposition of a 66.989 mill levy on property within the district for 2025, of which 15.459 mills will be dedicated to the General Fund and the balance of 51.530 mills will be allocated to the Debt Service Fund.

Highlands Metropolitan District No.3
Adopted Budget
General Fund
For the Year ended December 31, 2025

	Actual <u>2023</u>	Adopted Budget <u>2024</u>	Actual 6/30/2024	Estimate <u>2024</u>	Adopted Budget <u>2025</u>
Beginning fund balance	\$ -	-	\$ -	-	<u>1,679,009</u>
Revenues:					
Property taxes	184	555	555	555	1,239
TIF	12,602	42,383	42,384	42,384	117,811
Specific ownership taxes	668	4	323	600	4
Developer advances	59,985	80,698	23,621	23,621	-
Operations funding	-	-	-	1,720,022	-
Interest income	666	-	120	250	<u>68,800</u>
Total revenues	<u>74,105</u>	<u>123,640</u>	<u>67,003</u>	<u>1,787,432</u>	<u>187,854</u>
Total funds available	<u>74,105</u>	<u>123,640</u>	<u>67,003</u>	<u>1,787,432</u>	<u>1,866,863</u>
Expenditures:					
Audit	-	6,000	5,300	5,300	6,000
Accounting and audit	15,087	12,000	4,697	12,000	14,000
Legal	39,662	25,000	15,274	30,000	30,000
Election	3,204	-	68	100	6,000
Insurance & bonds	3,832	6,000	7,570	7,700	8,500
Miscellaneous	883	500	690	1,000	1,000
Locates	-	-	-	-	5,000
Management	11,434	8,500	8,653	10,000	30,000
Utilities	-	-	56	200	500
Website	-	-	600	2,000	2,000
Maintenance and repairs	-	30,000	172	5,000	30,000
Snow removal	-	20,000	2,003	10,000	20,000
Landscaping	-	-	15,772	25,000	40,000
Planning and Engineering	-	-	-	-	5,000
Treasurer's fee	3	8	123	123	19
Reserve	-	-	-	-	1,500,000
Contingency	-	12,392	-	-	162,903
Emergency reserve (3%)	-	3,240	-	-	<u>5,941</u>
Total expenditures	<u>74,105</u>	<u>123,640</u>	<u>60,978</u>	<u>108,423</u>	<u>1,866,863</u>
Ending fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ 6,025</u>	<u>\$ 1,679,009</u>	<u>-</u>
Current Year Total		2,819,290			7,817,000
Current year TIF		<u>2,783,409</u>			<u>7,736,904</u>
Assessed valuation		<u>35,881</u>			<u>80,096</u>
Mill Levy		<u>15.459</u>			<u>15.459</u>

Highlands Metropolitan District No.3
Adopted Budget
Capital Projects 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	\$ 4	4	\$ 8	\$ 8	8
Revenues:					
Developer advances	2,812,513	500,000	-	-	500,000
Interest income	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,812,516</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total funds available	<u>2,812,520</u>	<u>500,004</u>	<u>8</u>	<u>8</u>	<u>500,008</u>
Expenditures:					
Capital expenditures	<u>2,812,512</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total expenditures	<u>2,812,512</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Ending fund balance	<u>\$ 8</u>	<u>4</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>8</u>

Highlands Metropolitan District No.3
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	\$ -	-	\$ 21,909	\$ 21,909	-
Revenues:					
Property taxes	614	1,849	2,015	2,015	4,127
TIF	42,007	141,278	141,281	141,281	392,703
Specific ownership taxes	2,225	4	2,951	6,000	4
Interest income	<u>464</u>	<u>-</u>	<u>76</u>	<u>100</u>	<u>-</u>
Total revenues	<u>45,310</u>	<u>143,131</u>	<u>146,323</u>	<u>149,396</u>	<u>396,834</u>
Total funds available	<u>45,310</u>	<u>143,131</u>	<u>168,232</u>	<u>171,305</u>	<u>396,834</u>
Expenditures:					
Trustee fee	3,500	3,500	3,500	3,500	3,500
Treasurer's fees	9	28	410	410	62
Bond interest	<u>19,892</u>	<u>139,339</u>	<u>-</u>	<u>167,395</u>	<u>393,272</u>
Total expenditures	<u>23,401</u>	<u>142,867</u>	<u>3,910</u>	<u>171,305</u>	<u>396,834</u>
Ending fund balance	<u>\$ 21,909</u>	<u>264</u>	<u>\$ 164,322</u>	<u>\$ -</u>	<u>-</u>
Current Year Total		2,819,290			7,817,000
Current year TIF		<u>2,783,409</u>			<u>7,736,904</u>
Assessed valuation		35,881			80,096
Mill Levy		<u>51.530</u>			<u>51.530</u>