

## HIGHLANDS-MEAD METROPOLITAN DISTRICT 2022 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for Highlands-Mead Metropolitan District (the “**District**”), the District are required to provide an annual report to the Town of Mead with regard to the following matters:

For the year ending December 31, 2022, the District(s) make the following report:

### §32-1-207(3) Statutory Requirements

**1. Boundary changes made.**

There were no boundary changes made or proposed as of December 31, 2021.

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

The District did not enter into any Intergovernmental Agreements with other governmental entities during the report year.

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

Rules and regulations adopted by the board may be accessed at <https://www.highlandsmeadmetrodistrict.com/district-information>.

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

To our actual knowledge, based on review of the court records in Weld 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, 2022.

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

The District completed all construction of public improvements prior to the report year.

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

The District did not convey any facilities or improvements to the county or municipality during the report year.

**7. The final assessed valuation of the District as of December 31<sup>st</sup> of the reporting year.**

The 2022 Final Assessed valuation of the property within the District was \$2,252,400.

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

A copy of the 2023 Budget is attached hereto as **Exhibit A**.

**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 2022 Audit is attached hereto as **Exhibit B**.

**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 have been no uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

**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.

**Service Plan Requirements**

No additional requirements.

**EXHIBIT A**  
**2023 Budget**

# HIGHLANDS MEAD METROPOLITAN DISTRICT

January 30, 2023

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203

RE: Highlands Mead Metropolitan District

LG ID# 67162

Attached is the 2023 Budget for the Highlands Mead Metropolitan District in Weld County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 1, 2022. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number 970-926-6060 Ext. 6.

The mill levy certified to the County Commissioners of Weld County is 10.214 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 51.068 mills for G.O. bonds; 3.064 mills for contractual obligations; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$2,252,400, the total property tax revenue is \$144,932.93. A copy of the certification of mill levies sent to the County Commissioners for Weld County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Weld County, Colorado.

Sincerely,



Eric Weaver  
District Accountant

Enclosure(s)

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*Financial Management Provided By Marchetti & Weaver, LLC*

**Mountain Office**  
28 Second Street, Suite 213  
Edwards, CO 81632  
(970) 926-6060

**Website & Email**  
[www.mwcpaa.com](http://www.mwcpaa.com)  
[Admin@mwcpaa.com](mailto:Admin@mwcpaa.com)

**Front Range Office**  
245 Century Circle, Suite 103  
Louisville, CO 80027  
(720) 210-9136

**RESOLUTION**  
**ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES**  
**FOR THE CALENDAR YEAR 2023**

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The Board of Directors of Highlands-Mead Metropolitan District (the “**Board**”), Town of Mead, Weld County, Colorado (the “**District**”), held a special meeting, via teleconference on November 1, 2022, at the hour of 4:00 p.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.

*[Remainder of Page Intentionally Left Blank]*

NOTICE AS TO PROPOSED 2023 BUDGET

NOTICE OF PUBLIC HEARING ON THE AMENDED 2022 BUDGET  
AND  
NOTICE OF PUBLIC HEARING ON THE PROPOSED 2023 BUDGET

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the HIGHLANDS-MEAD METROPOLITAN DISTRICT (the "District"), will hold a meeting at via teleconference on November 1, 2022 at 4:00 p.m., for the purpose of conducting such business as may come before the Board including a public hearing on the 2023 proposed budget (the "Proposed Budget"). The necessity may also arise for an amendment to the 2022 budget (the "Amended Budget"). This meeting can be joined using the following teleconference information:

https://us06web.zoom.  
us/j/88386707606?pwd=TUtsVnhHTjZlVnR0QjZRYmRoOUFUUT09&#  
8203; Call-in: 720-707-2699  
Meeting ID: 883 8670 7606;  
Passcode: 629776

NOTICE IS FURTHER GIVEN that the Proposed Budget and Amended Budget (if applicable) have been submitted to the District. A copy of the Proposed Budget and Amended Budget are on file in the office of Marchetti & Weaver, 245 Century Circle, Suite 103, Louisville, CO 80027, where the same are open for public inspection. Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to final adoption of the Proposed Budget or the Amended Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:  
HIGHLANDS-MEAD METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

Published: Longmont Times Call October 12, 2022-1926862

Prairie Mountain Media, LLC

PUBLISHER'S AFFIDAVIT

County of Boulder  
State of Colorado

The undersigned, Agent, 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 *Longmont Times Call*.
2. The *Longmont Times Call* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder 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 *Longmont Times Call* in Boulder County on the following date(s):

Oct 12, 2022

Melissa Najera  
Signature

Subscribed and sworn to me before me this

12<sup>th</sup> day of October, 2022

Shayla Najera  
Notary Public

(SEAL)

SHAYLA NAJERA  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20174031965  
MY COMMISSION EXPIRES July 31, 2025

Account: 1110255  
Ad Number: 1926862  
Fee: \$35.67

WHEREAS, the Board has designated 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 and interested electors were given the opportunity to register their protest to the proposed budget prior to the 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 2023. 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 2023 budget year, there is hereby levied a tax of 10.214 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 2023 budget year, there is hereby levied a tax of 51.068 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 2023 budget year, there is hereby levied a tax of 3.064 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 2023 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. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Weld 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 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. 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.

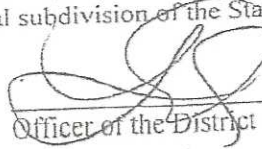
Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

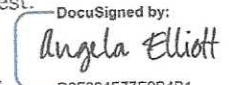
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ADOPTED NOVEMBER 1, 2022.

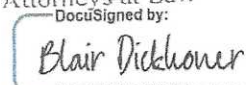
**DISTRICT:**

**HIGHLANDS-MEAD METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado

By:  \_\_\_\_\_  
Officer of the District

Attest: DocuSigned by:  
  
By: \_\_\_\_\_  
D2F394E77E9B4B1

**APPROVED AS TO FORM:**

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law  
DocuSigned by:  
  
\_\_\_\_\_   
FC00F87CE53F436  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF WELD  
HIGHLANDS-MEAD METROPOLITAN DISTRICT

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 via teleconference on Tuesday, November 1, 2022, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this \_\_\_ day of November, 2022.

DocuSigned by:  
  
\_\_\_\_\_   
D2F394E77E9B4B1...

**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**

# **HIGHLANDS-MEAD METROPOLITAN DISTRICT**

**2023**

## **BUDGET MESSAGE**

Highlands-Mead Metropolitan District is quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act.

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

The following budget is prepared using the modified accrual basis of accounting and has been adopted after proper postings, publications and publichearing.

## **BUDGET STRATEGY**

The District was formed to provide for all or part of the Public Improvements, as defined in the district's Service Plan, for the use and benefit of all anticipated inhabitants and taxpayers of the district. The primary purpose of the district is to finance the construction and/or acquisition of these Public Improvements.

## **REVENUE**

The primary sources of revenue for the district in 2023 are as follows: 1) The District has imposed a levy of 63.000 mills, adjusted for changes in property tax assessment rates to 64.346 mills, on all property within the District for 2023. 10.214 mills is assessed for General Fund expenditures, 3.064 mills is required to be pledged to the Town, and the remaining 51.068 mills allocated to the Debt Service Fund to generate revenue to repay debt service on bonds issued by the district in 2020 to fund the construction and/or acquisition of public infrastructure and water shares and; 2) Operations Fees in the amount of \$200 per quarter for each residence within the District.

## **EXPENDITURES**

The district has adopted four separate funds, a General Fund to provide for administrative and operating expenditures; an Operations Fund to account for community operations; a Debt Service Fund to provide for payments on the General Obligation Bonds; and a Capital Projects fund to account for the construction and/or acquisition of public infrastructure and water shares as provided for in the service plan.

Highlands-Mead Metropolitan District  
Statement of Net Position  
September 30, 2022

	General Fund	Operations Fund	Debt Service Fund	Capital Fund	Fixed Assets & LTD	Total
<b>ASSETS</b>						
<b>CASH</b>						
Great Western Bank Checking	73,257					73,257
FirstBank Checking		25,272				25,272
UMB Bank - Bond/Capital Int Acct 2020A			256,866			256,866
UMB Bank - Surplus Fund 2020A			334,982			334,982
UMB Bank - Bond Payment Fund 2020B			-			-
UMB Bank - Project Fund 2020A				14		14
UMB Bank - Project Fund 2020B				5		5
UMB Bank - Restricted Project 2020A				761,348		761,348
UMB Bank - Restricted Project 2020B				93,732		93,732
Pooled Cash	(32,752)	(34,274)	67,007	19		(0)
<b>TOTAL CASH</b>	<b>40,505</b>	<b>(9,003)</b>	<b>658,856</b>	<b>855,118</b>	<b>-</b>	<b>1,545,476</b>
<b>OTHER CURRENT ASSETS</b>						
Due From County Treasurer	-		-			-
Property Tax Receivable	58		0			58
Accounts Receivable	-	9,900	-			9,900
Prepaid Expense	-					-
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>58</b>	<b>9,900</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>9,959</b>
<b>FIXED ASSETS</b>						
Construction in Progress					-	-
<b>TOTAL FIXED ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>40,563</b>	<b>897</b>	<b>658,856</b>	<b>855,118</b>	<b>-</b>	<b>1,555,435</b>
<b>LIABILITIES &amp; DEFERED INFLOWS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable	16,716		-	-		16,716
Due To Town of Mead	3,050					3,050
Prepaid Resident Fees		662				662
<b>TOTAL CURRENT LIABILITIES</b>	<b>19,766</b>	<b>662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,428</b>
<b>DEFERRED INFLOWS</b>						
Deferred Property Taxes	58		0			58
<b>TOTAL DEFERRED INFLOWS</b>	<b>58</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>58</b>
<b>LONG-TERM LIABILITIES</b>						
Bonds Payable - Series 2020A					4,185,000	4,185,000
Bonds Payable - Series 2020B					515,000	515,000
Developer Payable- Operations					149,550	149,550
Developer Payable- Capital					1,327,593	1,327,593
Accrued Interest- Developer Advances					215,485	215,485
Accrued Interest- Bonds					74,295	74,295
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,466,923</b>	<b>6,466,923</b>
<b>TOTAL LIAB &amp; DEF INFLOWS</b>	<b>19,824</b>	<b>662</b>	<b>0</b>	<b>-</b>	<b>6,466,923</b>	<b>6,487,409</b>
<b>NET POSITION</b>						
Inv in Capital Assets					-	-
Amount to be Provided for Debt					(6,466,923)	(6,466,923)
Fund Balance- Non-Spendable	-	-				-
Fund Balance- Restricted	5,503	-	658,856	855,118		1,519,478
Fund Balance- Unassigned	15,235	236				15,471
<b>TOTAL NET POSITION</b>	<b>20,739</b>	<b>236</b>	<b>658,856</b>	<b>855,118</b>	<b>(6,466,923)</b>	<b>(4,931,974)</b>
	=	=	=	=	=	=

	2021 Audited Actual	2022		2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
		2022 Adopted Budget	2022 Amended Budget						
<b>PROPERTY TAXES</b>									
Total Assessed Valuation	252,680	1,032,130	1,032,130	1,032,130				2,252,400	November Final AV
Mill Levy - Operations	10,000	10,000	10,000	10,000				10,214	10 Mill Cap, Adjusted From 7.15% Rate
Mill Levy - Contractual	3,000	3,000	3,000	3,000				3,064	3 Mills for Town, Adjusted From 7.15% Rate
Mill Levy - Debt Service Fund	50,000	50,000	50,000	50,000				51,068	50 Mills, Adjusted From 7.15% Rate
<b>Total Mill Levy</b>	<b>63,000</b>	<b>63,000</b>	<b>63,000</b>	<b>63,000</b>				<b>64,346</b>	
Property Tax Revenue - Operations	2,527	10,321	10,321	10,321				23,006	AV * Mills / 1,000
Property Tax Revenue - Contractual	758	3,096	3,096	3,096				6,901	AV * Mills / 1,000
Property Tax Revenue - Debt Service Fund	12,634	51,607	51,607	51,607				115,026	AV * Mills / 1,000
<b>Total Property Taxes</b>	<b>15,919</b>	<b>65,024</b>	<b>65,024</b>	<b>65,024</b>				<b>144,933</b>	

Highlands-Mead Metropolitan District  
Statement of Revenues, Expenditures, & Changes in Fund Balance  
Modified Accrual Basis For the Period Indicated

	2021		2022		2022		2022		2023		Budget Notes/Assumptions
	Audited Actual	Adopted Budget	Amended Budget	Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget			
<b>COMBINED FUNDS</b>											
<b>REVENUE</b>											
Property Taxes	15,920	65,024	65,024	65,024	65,039	65,024	14	144,933	50 Mills Debt + 10 Ops + 3 Town		
Specific Ownership Taxes	800	3,716	3,716	3,901	3,060	2,477	583	8,696	6% of Property Taxes		
Interest & Other Income	1,473	1,200	1,200	19,760	11,440	1,075	10,365	22,000	Interest Earnings on Bond Reserves		
Operations Fees	7,952	55,860	55,860	63,460	53,291	53,067	224	104,400	Increase From \$190 To \$200 Per Quarter		
<b>TOTAL REVENUE</b>	<b>26,145</b>	<b>125,800</b>	<b>125,800</b>	<b>152,146</b>	<b>132,830</b>	<b>121,643</b>	<b>11,187</b>	<b>280,029</b>			
<b>EXPENDITURES</b>											
<b>Administration</b>											
Accounting, Legal, Management, & Audit	47,396	71,596	71,596	69,824	52,234	57,442	5,208	99,049	Combined General & Operations Fund		
Insurance, SDA Dues, Misc Other	6,216	8,853	8,853	4,783	4,171	8,042	3,871	8,249	Combined General & Operations Fund		
Treasurer's Fees	239	975	975	975	976	975	(0)	2,174	1.5% of Property Taxes		
<b>Operations</b>											
Snow Removal	-	15,000	15,000	12,000	6,730	10,500	3,770	16,250	Now in Operations Fund		
Landscape Maintenance & Replacements	522	41,000	41,000	32,258	17,180	21,000	3,820	47,974	Now in Operations Fund		
Trash Removal	4,228	14,535	14,535	16,500	7,858	10,175	2,317	29,200	Now in Operations Fund		
Utilities - Water, Gas & Electric	-	25,000	25,000	12,000	4,162	25,000	20,838	27,000	Now in Operations Fund		
Contingency	-	15,000	15,000	5,000	-	11,250	11,250	20,000	Allowance For Unforeseen Needs		
<b>Debt Service</b>											
Bond Interest	214,481	214,481	214,481	214,481	107,241	107,241	(0)	214,481	Per Amortization Schedule		
Bond Principal	-	-	-	-	-	-	-	-	Per Amortization Schedule		
Trustee Administrative Fee	7,077	3,250	7,400	7,400	85	-	(85)	7,700	Annual (\$7k) and monthly fee		
Debt Issuance Expense & Trustee Fees	-	-	-	-	-	-	-	-			
Contingency	-	5,000	5,000	-	-	-	-	5,000	Allowance for Unforeseen Needs		
<b>Capital Outlay</b>											
Infrastructure and Additional Water Shares	171	17,679,680	17,679,680	5,500	2,341	20,270	17,929	17,679,520	Infrastructure and Additional Water Shares		
<b>TOTAL EXPENDITURES</b>	<b>280,330</b>	<b>18,089,371</b>	<b>18,098,521</b>	<b>380,722</b>	<b>202,977</b>	<b>271,895</b>	<b>68,918</b>	<b>18,156,598</b>			
<b>REVENUE OVER / (UNDER) EXPENDITURES</b>	<b>(254,185)</b>	<b>(17,963,572)</b>	<b>(17,972,722)</b>	<b>(228,576)</b>	<b>(70,147)</b>	<b>(150,252)</b>	<b>80,104</b>	<b>(17,876,569)</b>			
<b>OTHER SOURCES / (USES)</b>											
Transfers to Town	(747)	(3,050)	(3,050)	(3,050)	(3,050)	(3,050)	0	(6,798)	3 Mills, net of treasurers fee		
Developer Advances	45,000	17,804,680	17,804,680	105,000	61,000	80,100	(19,100)	17,798,520	General & Capital Fund Shortfalls		
Developer Advance Repayments	(1,676,305)	(849,944)	(849,944)	(404,205)	-	-	-	(459,581)			
Bond Proceeds	-	-	-	-	-	-	-	-			
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>(1,632,052)</b>	<b>16,951,686</b>	<b>16,951,686</b>	<b>(302,255)</b>	<b>57,950</b>	<b>77,050</b>	<b>(19,100)</b>	<b>17,332,142</b>			
<b>CHANGE IN FUND BALANCE</b>	<b>(1,886,236)</b>	<b>(1,011,886)</b>	<b>(1,021,036)</b>	<b>(530,831)</b>	<b>(12,197)</b>	<b>(73,202)</b>	<b>61,005</b>	<b>(544,427)</b>			
<b>BEGINNING FUND BALANCE</b>	<b>3,433,383</b>	<b>1,570,312</b>	<b>1,566,283</b>	<b>1,547,146</b>	<b>1,547,146</b>	<b>1,570,312</b>	<b>(23,166)</b>	<b>1,016,315</b>			
<b>ENDING FUND BALANCE</b>	<b>1,547,146</b>	<b>558,427</b>	<b>545,247</b>	<b>1,016,315</b>	<b>1,534,949</b>	<b>1,497,111</b>	<b>37,838</b>	<b>471,888</b>			
<b>COMPONENTS OF FUND BALANCE</b>											
Non-Spendable	-	2,739	2,739	3,025	-	-	-	3,176	Prepaid Insurance		
TABOR Emergency Reserve	1,752	1,471	1,471	5,503	5,503	236	-	7,653	3% of operating expenditures		
Restricted For Operations	570	-	-	-	-	-	-	-	See Operations Fund		
Restricted For Debt Service	708,182	549,109	535,929	548,729	658,856	454,581	-	458,750	Surplus, Cap I, and Bond Payment Funds		
Restricted For Capital Projects	848,786	-	-	454,581	855,118	15,235	-	0	See Capital Projects Fund		
Unassigned	(12,143)	5,108	5,108	4,477	15,235	15,235	-	2,309	Remaining Amounts		
<b>TOTAL ENDING FUND BALANCE</b>	<b>1,547,146</b>	<b>558,427</b>	<b>545,247</b>	<b>1,016,315</b>	<b>1,534,949</b>	<b>1,497,111</b>	<b>37,838</b>	<b>471,888</b>			

	2021 Audited Actual	2022		2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
		2022 Adopted Budget	2022 Amended Budget						
<b>GENERAL FUND</b>									
<b>REVENUE</b>									
Property taxes - Operations	2,527	10,321	10,321	10,321	10,321	10,321	-	23,006	10 Mill Cap, Adjusted From 7.15% Rate 3 Mills for Town 6% of Property Taxes
Property taxes - Contractual	758	3,096	3,096	3,096	3,110	3,096	14	6,901	
Specific Ownership Taxes	165	619	805	620	413	413	208	1,794	
Interest Income	2	-	10	10	-	-	10	-	
<b>TOTAL REVENUE</b>	<b>3,452</b>	<b>14,037</b>	<b>14,233</b>	<b>14,233</b>	<b>14,062</b>	<b>13,831</b>	<b>231</b>	<b>31,702</b>	
<b>EXPENDITURES - GENERAL</b>									
<b>Administration</b>									
Accounting	9,049	12,875	11,000	11,000	7,219	10,429	3,210	12,000	Split 50/50 General & Operation Funds Based on 2023 Forecast
Audit	5,800	5,800	5,800	5,800	5,800	5,800	-	6,300	
District Management	2,609	6,000	6,000	6,000	4,443	4,500	57	15,600	Split 50/50 General & Operation Funds Assume Canceled
Electricals	-	3,000	3,024	3,024	3,024	3,000	(24)	3,500	
Legal	8,440	10,300	12,000	12,000	8,945	7,725	(1,220)	13,000	Split 50/50 General & Operation Funds D&O, Liability, and other coverages + SDA Dues
Insurance & SDA Dues	2,533	2,609	2,633	2,633	2,633	2,609	(24)	3,025	
Office Supplies, Bank & Bill.com Fees, Other	2,523	2,472	1,500	1,500	1,058	1,854	796	1,550	Checks, fees, misc other 1.5% of Property Taxes
Treasurer's fees - Operations	38	155	155	155	155	155	(0)	345	
Treasurer's fees - Contractual	11	46	46	46	46	46	(0)	104	Based on 2022 Forecast Allowance For Unforeseen Needs
Website	630	773	650	650	480	579	99	675	
Contingency	-	5,000	-	-	-	3,750	3,750	10,000	
<b>Operations</b>									
Snow Removal	-	-	-	-	-	-	-	-	Now in Operations Fund
Park Landscape Maintenance	-	-	-	-	-	-	-	-	Now in Operations Fund
Trash Removal	-	-	-	-	-	-	-	-	Now in Operations Fund
Utilities - Water, Gas & Electric	-	-	-	-	-	-	-	-	Now in Operations Fund
<b>TOTAL EXPENDITURES</b>	<b>31,634</b>	<b>49,030</b>	<b>42,808</b>	<b>42,808</b>	<b>33,803</b>	<b>40,447</b>	<b>6,644</b>	<b>66,098</b>	
<b>REVENUE OVER / (UNDER) EXPENDITURES</b>	<b>(28,182)</b>	<b>(34,993)</b>	<b>(28,576)</b>	<b>(28,576)</b>	<b>(19,741)</b>	<b>(26,617)</b>	<b>6,875</b>	<b>(34,396)</b>	
<b>OTHER SOURCES / (USES)</b>									
Transfers In/(Out)	(19,126)	(86,296)	(49,978)	(49,978)	(7,079)	(50,096)	43,017	(77,673)	Subsidy to Operations Fund
Transfers to Town	(747)	(3,050)	(3,050)	(3,050)	(3,050)	(3,050)	0	(6,798)	3 Mills, net of treasurers fee
Developer Advance Repayments	-	-	-	-	-	-	-	-	Once Excess Funds Are Available
Developer Advances	45,000	125,000	105,000	105,000	61,000	80,100	(19,100)	119,000	To Cover Shortfall
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>25,127</b>	<b>35,654</b>	<b>51,972</b>	<b>51,972</b>	<b>50,871</b>	<b>26,954</b>	<b>23,917</b>	<b>34,529</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>(3,055)</b>	<b>661</b>	<b>23,397</b>	<b>23,397</b>	<b>31,130</b>	<b>337</b>	<b>30,793</b>	<b>133</b>	
<b>BEGINNING FUND BALANCE</b>	<b>(7,337)</b>	<b>8,657</b>	<b>(10,391)</b>	<b>(10,391)</b>	<b>(10,391)</b>	<b>8,657</b>	<b>(19,048)</b>	<b>13,005</b>	
<b>ENDING FUND BALANCE</b>	<b>(10,391)</b>	<b>9,318</b>	<b>13,005</b>	<b>13,005</b>	<b>20,739</b>	<b>8,994</b>	<b>11,744</b>	<b>13,138</b>	



	2021 Audited Actual	2022		2022		YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
		Adopted Budget	Amended Budget	Forecast	Forecast					
<b>OPERATIONS FUND</b>										
Beginning # of CO's	12	43	43	59					108	
CO's Issued During Year	47	61	61	49					45	Developer Estimate
Ending # of CO's	59	104	104	108					153	203 Total At Buildout
Quarterly Fee Per Unit	\$ 180	\$ 190	\$ 190	\$ 190					200	Roughly 5% Increase Beginning Q1 2023
<b>REVENUE</b>										
Operations Fees	7,952	55,860	55,860	63,460		53,291	53,067	224	104,400	Increase From \$190 To \$200 Per Quarter
Property Management Suspense	119	-	-	-		(282)	-	(282)		
Late fees	150	-	-	750		390	-	390		
<b>TOTAL REVENUE</b>	<b>8,222</b>	<b>55,860</b>	<b>55,860</b>	<b>64,210</b>		<b>53,399</b>	<b>53,067</b>	<b>332</b>	<b>104,400</b>	
<b>EXPENDITURES - OPERATIONS</b>										
<b>Administration</b>										
Accounting	9,049	12,875	12,875	11,000		7,219	10,429	3,209	12,000	Split 50/50 General & Operation Funds
District Management	2,909	6,000	6,000	6,000		4,443	4,500	57	15,600	Split 50/50 General & Operation Funds
Legal	8,440	10,300	10,300	12,000		8,945	7,725	(1,220)	13,000	Split 50/50 General & Operation Funds
Legal- Collections	-	2,646	2,646	-		-	1,985	1,985	4,699	Assume \$3 per unit per month
Billing Fees	1,099	1,800	1,800	3,000		2,196	1,350	(846)	3,350	Estimated Billing Costs
Insurance	-	3,000	3,000	-		-	3,000	3,000	3,000	Allowance For Property Coverage
Snow Removal	-	15,000	15,000	12,000		6,730	10,500	3,770	16,250	Preliminary Estimate
Landscaping- Base Contract	522	28,000	28,000	24,793		14,167	16,000	1,833	37,974	Brightview Proposal
Landscaping- Additional Services	-	5,000	5,000	5,000		548	-	(548)	5,000	Minor Items Not Included In Base Contract
Landscaping- Tree Spraying	-	3,000	3,000	2,465		2,465	-	(2,465)	-	Included in Brightview Base Contract
Tree & Shrub Replacements	-	5,000	5,000	-		-	5,000	5,000	5,000	Annual Replacements
Utilities - Water & Electric	-	25,000	25,000	12,000		4,162	25,000	20,838	27,000	2022 Was only For Usage starting 7/13/22 & Forward
Trash Removal	4,228	14,535	14,535	16,500		7,858	10,175	2,317	29,200	2022 Rate of \$17.76 Per Unit Per Month + 5%
Website	458	-	-	-		-	-	-	-	All in General Fund
Miscellaneous	73	-	-	-		-	-	-	-	
Contingency	-	10,000	10,000	5,000		-	7,500	7,500	10,000	Allowance For Unforeseen Needs
<b>TOTAL EXPENDITURES</b>	<b>26,778</b>	<b>142,156</b>	<b>142,156</b>	<b>109,758</b>		<b>58,733</b>	<b>103,163</b>	<b>44,430</b>	<b>182,073</b>	
<b>REVENUE OVER / (UNDER) EXPENDITURES</b>	<b>(18,556)</b>	<b>(86,296)</b>	<b>(86,296)</b>	<b>(45,548)</b>		<b>(5,334)</b>	<b>(50,096)</b>	<b>44,762</b>	<b>(77,673)</b>	
<b>OTHER SOURCES / (USES)</b>										
Transfer From General Fund	19,126	86,296	86,296	44,978		5,000	50,096	(45,096)	77,673	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>19,126</b>	<b>86,296</b>	<b>86,296</b>	<b>44,978</b>		<b>5,000</b>	<b>50,096</b>	<b>(45,096)</b>	<b>77,673</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>570</b>	<b>-</b>	<b>-</b>	<b>(570)</b>		<b>(334)</b>	<b>-</b>	<b>(334)</b>	<b>-</b>	
<b>BEGINNING FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>570</b>		<b>570</b>	<b>-</b>	<b>570</b>	<b>-</b>	
<b>ENDING FUND BALANCE</b>	<b>570</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>236</b>	<b>-</b>	<b>236</b>	<b>-</b>	

	2021 Audited Actual	2022		2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
		Adopted Budget	Amended Budget						
<b>DEBT SERVICE FUND</b>									
<b>REVENUE</b>									
Property Taxes	12,635	51,607	51,607	51,607	51,607	51,607	0	115,026	50 Mills, Adjusted From 7.15% Rate
Specific Ownership Taxes	635	3,096	3,096	3,096	2,440	2,064	376	6,902	6% of Property Taxes
Interest Income	420	700	700	8,500	4,728	700	4,028	17,000	Interest Earnings on Bond Reserves
<b>TOTAL REVENUE</b>	<b>13,689</b>	<b>55,403</b>	<b>55,403</b>	<b>63,203</b>	<b>58,774</b>	<b>54,371</b>	<b>4,404</b>	<b>138,927</b>	
<b>EXPENDITURES</b>									
Treasurer's Fees	190	774	774	774	774	774	(0)	1,725	1.5% of Property Taxes
Bond Principal- Series 2020A	-	-	-	-	-	-	-	-	Per Amortization Schedule
Bond Interest- Series 2020A	214,481	214,481	214,481	214,481	107,241	107,241	(0)	214,481	Per Amortization Schedule
Bond Principal- Series 2020B	-	-	-	-	-	-	-	-	Not Until Surplus Reaches \$837K
Bond Interest- Series 2020B	-	-	-	-	-	-	-	-	Not Until Surplus Reaches \$837K
Paying Agent / Trustee Fees	7,077	3,250	7,400	7,400	85	-	(85)	7,700	Annual (\$7k) and monthly fee
Debt Issuance Expense	-	-	-	-	-	-	-	-	Allowance for Unforeseen Needs
Contingency	-	-	5,000	-	-	-	-	5,000	
<b>TOTAL EXPENDITURES</b>	<b>221,748</b>	<b>218,505</b>	<b>227,655</b>	<b>222,655</b>	<b>108,100</b>	<b>108,015</b>	<b>(85)</b>	<b>228,907</b>	
<b>REVENUE OVER / (UNDER) EXPENDITURES</b>	<b>(208,058)</b>	<b>(163,102)</b>	<b>(172,252)</b>	<b>(159,452)</b>	<b>(49,325)</b>	<b>(53,644)</b>	<b>4,319</b>	<b>(89,980)</b>	
<b>OTHER SOURCES / (USES)</b>									
Transfers To Capital Fund	-	-	-	-	-	-	-	-	
Bond Proceeds- Series 2020A	-	-	-	-	-	-	-	-	
Bond Proceeds- Series 2020B	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>(208,058)</b>	<b>(163,102)</b>	<b>(172,252)</b>	<b>(159,452)</b>	<b>(49,325)</b>	<b>(53,644)</b>	<b>4,319</b>	<b>(89,980)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>916,240</b>	<b>712,211</b>	<b>708,182</b>	<b>708,182</b>	<b>708,182</b>	<b>712,211</b>	<b>(4,030)</b>	<b>548,729</b>	
<b>ENDING FUND BALANCE</b>	<b>708,182</b>	<b>549,109</b>	<b>535,929</b>	<b>548,729</b>	<b>658,856</b>	<b>658,567</b>	<b>289</b>	<b>458,750</b>	See breakout below
<b>COMPONENTS OF FUND BALANCE:</b>									
Capitalized Interest Fund	362,061	142,862	138,712	140,180	256,866	-	-	-	Eliminated covering 2019-2022 Interest & Trustee Fees
Surplus Fund	332,399	406,247	397,217	408,549	334,982	-	-	458,750	Fill to Maximum of \$837,000
Cost of Issuance	-	-	-	-	-	-	-	-	
Bond Payment / Surplus Fund	-	-	-	-	-	-	-	-	
Internal & Other Balances	13,721	-	-	-	67,007	-	-	-	
<b>TOTAL ENDING FUND BALANCE</b>	<b>708,182</b>	<b>549,109</b>	<b>535,929</b>	<b>548,729</b>	<b>658,856</b>	<b>658,567</b>	<b>289</b>	<b>458,750</b>	

	2021 Audited Actual	2022		2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
		2022 Adopted Budget	2022 Amended Budget						
<b>CAPITAL FUND</b>									
<b>REVENUE</b>									
Interest Income	782	500	500	10,500	6,595	375	6,220	5,000	
<b>TOTAL REVENUE</b>	<b>782</b>	<b>500</b>	<b>500</b>	<b>10,500</b>	<b>6,595</b>	<b>375</b>	<b>6,220</b>	<b>5,000</b>	
<b>EXPENDITURES</b>									
Organizational Costs	-	-	-	-	-	-	-	-	
Engineer	-	20,000	20,000	5,000	2,079	20,000	17,921	20,000	Provision for cost certification
Streets	-	6,065,976	6,065,976	-	-	-	-	6,065,976	Service plan engineer's estimate
Safety Protection	-	26,855	26,855	-	-	-	-	26,855	Service plan engineer's estimate
Water	-	796,243	796,243	-	-	-	-	796,243	Service plan engineer's estimate
Water Purchases	-	-	-	-	-	-	-	-	None anticipated
Sanitary Sewer	-	3,940,565	3,940,565	-	-	-	-	3,940,565	Service plan engineer's estimate
Utility Relocation	-	117,900	117,900	-	-	-	-	117,900	Service plan engineer's estimate
Parks & Recreation	-	4,711,781	4,711,781	-	-	-	-	4,711,781	Service plan engineer's estimate
Trustee Fees	171	360	360	500	262	270	8	200	Estimated 4% of Interest Income
Contingency	-	2,000,000	2,000,000	-	-	-	-	2,000,000	Unforeseen needs / cost overruns from estimates
<b>TOTAL EXPENDITURES</b>	<b>171</b>	<b>17,679,680</b>	<b>17,679,680</b>	<b>5,500</b>	<b>2,341</b>	<b>20,270</b>	<b>17,929</b>	<b>17,679,520</b>	
<b>REVENUE OVER / (UNDER) EXPENDITURES</b>	<b>611</b>	<b>(17,679,180)</b>	<b>(17,679,180)</b>	<b>5,000</b>	<b>4,254</b>	<b>(19,895)</b>	<b>24,149</b>	<b>(17,674,520)</b>	
<b>OTHER SOURCES / (USES)</b>									
Transfers In (Out)	-	-	-	5,000	2,079	-	2,079	-	
Developer/Advance Repayment- Principal	(1,676,305)	(849,944)	(849,944)	(404,205)	-	-	-	(459,581)	Balance of Project Funds
Developer Advances	-	17,679,680	17,679,680	-	-	-	-	17,679,520	To cover bond funding shortfall
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>(1,676,305)</b>	<b>16,829,736</b>	<b>16,829,736</b>	<b>(399,205)</b>	<b>2,079</b>	<b>-</b>	<b>2,079</b>	<b>17,219,939</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>(1,675,694)</b>	<b>(849,444)</b>	<b>(849,444)</b>	<b>(394,205)</b>	<b>6,333</b>	<b>(19,895)</b>	<b>26,228</b>	<b>(454,581)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>2,524,479</b>	<b>849,444</b>	<b>849,444</b>	<b>848,786</b>	<b>848,786</b>	<b>849,444</b>	<b>(658)</b>	<b>454,581</b>	Carryforward of Restricted Project funds
<b>ENDING FUND BALANCE</b>	<b>848,786</b>	<b>-</b>	<b>-</b>	<b>454,581</b>	<b>855,118</b>	<b>829,549</b>	<b>25,569</b>	<b>0</b>	
	=	=	=	=	=	=	=	=	

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of WELD COUNTY, Colorado.

On behalf of the HIGHLANDS MEAD METRO DISTRICT,  
(taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS  
(governing body)<sup>B</sup>

of the HIGHLANDS MEAD METRO DISTRICT  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ \$2,252,400.00 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ \$2,252,400.00 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/13/2022 for budget/fiscal year 2023  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	10.214 mills	\$ 23006.01
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< 0.000 > mills	\$ < 0 >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	10.214 mills	\$ 23006.01
3. General Obligation Bonds and Interest <sup>J</sup>	51.068 mills	\$ 115025.56
4. Contractual Obligations <sup>K</sup>	3.064 mills	\$ 6901.35
5. Capital Expenditures <sup>L</sup>	mills	\$ 0
6. Refunds/Abatements <sup>M</sup>	mills	\$ 0
7. Other <sup>N</sup> (specify): _____	mills	\$
_____	mills	\$
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	64.346 mills	\$ 144932.93

Contact person: (print) Eric Weaver Daytime phone: (970) 926-6060 Ext. 6  
Signed:  Title: District Accountant

*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.*

<sup>1</sup> 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.  
<sup>2</sup> 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).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |    |                   |   |
|----|-------------------|---|
| 1. | Purpose of Issue: | <u>ing of Public Infrastructure &amp; Water Rights Pursuant to the Service Plan of the Di</u> |
|    | Series:           | <u>imited Tax (Convertible to Unlimited Tax) General Obligation Bonds. Series 2020/</u>       |
|    | Date of Issue:    | <u>08/11/2020</u>   |
|    | Coupon Rate:      | <u>5.125%</u>   |
|    | Maturity Date:    | <u>12/01/2050</u>   |
|    | Levy:             | <u>51.068</u>   |
|    | Revenue:          | <u>\$115.025.56</u>   |
|    |                   |   |
| 2. | Purpose of Issue: | <u>ing of Public Infrastructure &amp; Water Rights Pursuant to the Service Plan of the Di</u> |
|    | Series:           | <u>Subordinate General Obligation Bonds. Series 2020B</u>                                     |
|    | Date of Issue:    | <u>08/11/2020</u>   |
|    | Coupon Rate:      | <u>7.750%</u>   |
|    | Maturity Date:    | <u>12/01/2050</u>   |
|    | Levy:             | <u>0.000</u>  |
|    | Revenue:          | <u>\$0.00</u>   |

**CONTRACTS<sup>K</sup>:**

- |    |                      |   |
|----|----------------------|---|
| 3. | Purpose of Contract: | <u>efraining the Town's Ongoing Operations and Maintenance Costs Within the Distric</u> |
|    | Title:               | <u>Town of Mead Intergovernmental Agreement</u>   |
|    | Date:                | <u>12/09/2019</u>   |
|    | Principal Amount:    | <u>N/A- Based on Annual Mill Levv of 3 Mills. As Adjusted For Gallagher</u>             |
|    | Maturity Date:       | <u>12/31/2099</u>   |
|    | Levy:                | <u>3.064</u>  |
|    | Revenue:             | <u>\$6.901.35</u>   |
|    |                      |   |
| 4. | Purpose of Contract: | <u> </u>  |
|    | Title:               | <u> </u>  |
|    | Date:                | <u> </u>  |
|    | Principal Amount:    | <u> </u>  |
|    | Maturity Date:       | <u> </u>  |
|    | Levy:                | <u> </u>  |
|    | Revenue:             | <u> </u>  |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

<sup>A</sup> **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government<sup>C</sup>.

<sup>B</sup> **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

<sup>C</sup> **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

<sup>D</sup> **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* *Gross Assessed Value* found on Line 2 of Form DLG 57.

<sup>E</sup> **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25<sup>th</sup> each year and may amend it, one time, prior to December 10<sup>th</sup>. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

<sup>F</sup> **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

<sup>G</sup> **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

**<sup>H</sup> General Operating Expenses (DLG 70 Page 1 Line 1)**—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

**<sup>I</sup> Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)**—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

**<sup>J</sup> General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)**—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

**<sup>K</sup> Contractual Obligation (DLG 70 Page 1 Line 4)**—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

**<sup>L</sup> Capital Expenditures (DLG 70 Page 1 Line 5)**—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

**<sup>M</sup> Refunds/Abatements (DLG 70 Page 1 Line 6)**—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

**<sup>N</sup> Other (DLG 70 Page 1 Line 7)**—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

**EXHIBIT B**  
**2022 Audit**



**HIGHLANDS-MEAD METROPOLITAN DISTRICT  
MEAD, COLORADO**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2022**

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Highlands-Mead Metropolitan District  
Mead, Colorado

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Highlands-Mead Metropolitan District (the "District"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Highlands-Mead Metropolitan District, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required budgetary comparison schedules for the general fund and for the operations fund, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparisons for the capital improvement fund and for the debt service fund, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*FredrickZink & Associates, PC*

FredrickZink & Associates, PC  
Durango, Colorado  
July 18, 2023

**BASIC FINANCIAL STATEMENTS**

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## STATEMENT OF NET POSITION

December 31, 2022

	Governmental Activities
<b>ASSETS</b>	
Current assets	
Cash and investments.....	\$ 1,031,655
Due from County Treasurer.....	273
Accounts receivable.....	6,006
Property taxes receivable.....	144,933
Prepaid expenses.....	2,076
Total current assets.....	1,184,943
<b>Total assets</b> .....	\$ 1,184,943
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable.....	\$ 51,966
Revenue received in advance.....	5,914
Accrued interest payable.....	425,177
Current portion of bond payable.....	-
Total current liabilities.....	483,057
Noncurrent liabilities	
Bond payable, less current portion.....	4,700,000
Developer payable.....	1,072,938
Total noncurrent liabilities.....	5,772,938
<b>Total liabilities</b> .....	\$ 6,255,995
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue.....	\$ 144,933
<b>NET POSITION</b>	
Net investment in capital assets.....	\$ (5,166,931)
Restricted.....	
Restricted for emergencies.....	4,360
Restricted for operations.....	-
Restricted for debt service.....	550,722
Unrestricted.....	(604,136)
<b>Total net position</b> .....	\$ (5,215,985)

The accompanying notes are an integral part of these financial statements.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## STATEMENT OF ACTIVITIES For the year ended December 31, 2022

Functions / Programs	Expenses	Charges for Services	Net (Expense) Revenue
<b>Governmental Activities</b>			
General government.....	\$ 151,083	\$ 59,902	\$ (91,181)
Interest on long-term debt.....	349,879	-	(349,879)
Other costs of long-term debt.....	<u>7,977</u>	<u>-</u>	<u>(7,977)</u>
Totals.....	<u>\$ 508,939</u>	<u>\$ 59,902</u>	<u>\$ (449,037)</u>
<b>General Revenues</b>			
			65,024
			4,343
			<u>22,460</u>
		<b>Total general revenues.....</b>	<u>91,827</u>
		<b>Change in net position.....</b>	(357,210)
		<b>Net position, beginning of year.....</b>	<u>(4,858,775)</u>
		<b>Net position, end of year.....</b>	<u>\$ (5,215,985)</u>

The accompanying notes are an integral part of these financial statements.



# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2022

	General	Operations	Capital Improvement	Debt Service	Total
<b>ASSETS</b>					
Equity in pooled cash and investments.....	\$ 17,784	\$ (92)	\$ 456,457	\$ 557,506	\$ 1,031,655
Due from County Treasurer.....	57	-	-	216	273
Accounts receivable.....	-	6,006	-	-	6,006
Property taxes receivable.....	29,907	-	-	115,026	144,933
Prepaid expenses.....	2,076	-	-	-	2,076
<b>Total assets.....</b>	<b>\$ 49,824</b>	<b>\$ 5,914</b>	<b>\$ 456,457</b>	<b>\$ 672,748</b>	<b>\$ 1,184,943</b>
<b>LIABILITIES</b>					
Accounts payable.....	\$ 44,966	\$ -	\$ -	\$ 7,000	\$ 51,966
Revenue received in advance.....	-	5,914	-	-	5,914
<b>Total liabilities.....</b>	<b>44,966</b>	<b>5,914</b>	<b>-</b>	<b>7,000</b>	<b>57,880</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax revenue.....	29,907	-	-	115,026	144,933
<b>FUND BALANCE</b>					
Nonspendable					
Prepaid items.....	2,076	-	-	-	2,076
Restricted					
Emergencies.....	4,360	-	-	-	4,360
Operations.....	-	-	-	-	-
Debt service.....	-	-	-	550,722	550,722
Capital improvements.....	-	-	456,457	-	456,457
Unassigned.....	(31,485)	-	-	-	(31,485)
<b>Total fund balance.....</b>	<b>(25,049)</b>	<b>-</b>	<b>456,457</b>	<b>550,722</b>	<b>982,130</b>
<b>Total liabilities, deferred inflows of resources, and fund balance.....</b>	<b>\$ 49,824</b>	<b>\$ 5,914</b>	<b>\$ 456,457</b>	<b>\$ 672,748</b>	<b>\$ 1,184,943</b>

The accompanying notes are an integral part of these financial statements.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES

### TO NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2022

**Total Fund Balance**..... \$ 982,130

Amounts reported for the governmental activities in the statement of net position are different because:

Bonds payable and other long-term debt are not due and payable in the current period, and therefore are not reported in the governmental funds..... (5,772,938)

Accrued interest payable on outstanding bonds and other long-term debt do not require current financial resources, and therefore are not reported in the governmental funds..... (425,177)

**Total Net Position**..... \$ (5,215,985)

The accompanying notes are an integral part of these financial statements.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For the year ended December 31, 2022

	General	Operations	Capital Improvement	Debt Service	Total
<b>REVENUES</b>					
Property taxes.....	\$ 13,417	\$ -	\$ -	\$ 51,607	\$ 65,024
Specific ownership taxes.....	896	-	-	3,447	4,343
Operations fee.....	-	59,902	-	-	59,902
Interest income.....	24	-	12,492	9,944	22,460
<b>Total Revenues.....</b>	<b>14,337</b>	<b>59,902</b>	<b>12,492</b>	<b>64,998</b>	<b>151,729</b>
<b>Expenditures</b>					
Current operating.....					
Accounting.....	12,297	12,297	-	-	24,594
Audit.....	5,800	-	-	-	5,800
Elections.....	3,227	-	-	-	3,227
Engineering.....	-	-	2,079	-	2,079
Insurance - other.....	3,031	-	-	-	3,031
Legal.....	14,118	14,118	-	-	28,236
Maintenance.....	-	42,062	-	-	42,062
Management and consulting.....	5,969	6,200	-	-	12,169
Miscellaneous.....	1,599	2,931	-	-	4,530
Trash removal.....	-	11,881	-	-	11,881
Treasurers fees.....	201	-	-	774	975
Utilities.....	-	9,607	-	-	9,607
Debt Service.....					
Principal.....	-	-	404,205	-	404,205
Interest.....	-	-	-	214,481	214,481
Other fees.....	-	-	616	7,203	7,819
<b>Total Expenditures.....</b>	<b>46,242</b>	<b>99,096</b>	<b>406,900</b>	<b>222,458</b>	<b>774,696</b>
<b>Excess of revenues over (under) expenditures.....</b>	<b>(31,905)</b>	<b>(39,194)</b>	<b>(394,408)</b>	<b>(157,460)</b>	<b>(622,967)</b>
<b>Other financing sources (uses)</b>					
Operating transfers in (out).....	(40,703)	38,624	2,079	-	-
Transfers to the Town of Mead.....	(3,050)	-	-	-	(3,050)
Developer advances.....	61,000	-	-	-	61,000
<b>Total other financing sources (uses).....</b>	<b>17,247</b>	<b>38,624</b>	<b>2,079</b>	<b>-</b>	<b>57,950</b>
<b>Net change in fund balances.....</b>	<b>(14,658)</b>	<b>(570)</b>	<b>(392,329)</b>	<b>(157,460)</b>	<b>(565,017)</b>
<b>Fund balances, beginning of year.....</b>	<b>(10,391)</b>	<b>570</b>	<b>848,786</b>	<b>708,182</b>	<b>1,547,147</b>
<b>Fund balances, end of year.....</b>	<b>\$ (25,049)</b>	<b>\$ -</b>	<b>\$ 456,457</b>	<b>\$ 550,722</b>	<b>\$ 982,130</b>

The accompanying notes are an integral part of these financial statements.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

<b>Net change in fund balances - total governmental funds</b>	<b>\$ (565,017)</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report debt principal payments as other financing uses; however, the government-wide financial statements report debt principal payments as reductions of long-term debt.....	404,205
Governmental funds report debt proceeds as other financing sources; however, the government-wide financial statements report debt proceeds as increases in long-term debt. Developer advances.....	(61,000)
Accrued interest expense on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources; therefore, the change in accrued interest expense is not reported as an expenditure in the governmental funds.....	(135,398)
	<u>\$ (357,210)</u>

The accompanying notes are an integral part of these financial statements.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Highlands-Mead Metropolitan District, herein referred to as the District, conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Significant accounting policies of the District are described below.

#### A. Financial Reporting Entity

The District was organized pursuant to provisions set forth in the Colorado Special District Act. The governing body of the District consists of a five-member Board of Directors which is elected by the registered voters within the District. The purpose of the District is to construct, operate, and maintain public improvements for the use and benefit of the inhabitants of the District.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes. The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity, nor is the District a component unit of any other government. The District's financial statements include the accounts of all District operations.

#### B. Basis of Presentation

##### Government-wide Statements

The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of changes in net position presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities.

In the statement of activities, direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

##### Fund Financial Statements

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The District's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled. The various funds of the District are outlined in the following paragraphs:

### **Governmental Funds**

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures, other financing uses, and special items) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

*General Fund* - used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to general statutory laws.

*Operations Fund* - used to account for fees received from property owners in the District and the expenditure of those fees to fund operations costs as defined in the enabling legislation adopted by the District's board of directors.

*Capital Improvement Fund* - used to account for proceeds from General Obligation Bonds and developer advances that are used for major capital and equipment additions.

*Debt Service Fund* - used to account for accumulation of resources for, and payment of, long-term bond obligation principal, interest and related costs.

## **C. Measurement Focus and Basis of Accounting**

### **Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, consist of property taxes, other taxes and fines and penalties. All assets and all liabilities associated with the operation of the District are included on the statement of net position.

### **Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues available if they are collected within 60 days after year-end. The following revenue sources are considered susceptible to accrual because they are both measurable and available to finance expenditures of the current period:

- Property Taxes
- Specific Ownership Taxes

Taxpayer-assessed local property and specific ownership taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for un-matured principal and interest on general long-term debt, which is recognized when due. Proceeds of general long-term liabilities are reported as other financing sources.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

### D. Budgets and Budgetary Accounting

The District uses the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to October 15, the District staff submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A "Notice of Budget" is published when the budget is received.
- 2) Public hearings are held to obtain taxpayer comments.
- 3) Prior to December 15, the Board shall adopt, by resolution, the budget for the ensuing fiscal year and shall certify the tax levy to the Board of County Commissioners.
- 4) On or before December 31, the Board shall pass an annual appropriating resolution in which such sums of money shall be appropriated as the Board deems necessary to defray all expenses and liabilities of the District during the ensuing year.
- 5) The District's budgets are adopted on a basis consistent with generally accepted accounting principles for governmental entities. Annual appropriated budgets are adopted for all funds. The level of control in the budget at which expenditures exceed appropriations is at the fund level.
- 6) After adoption of the budget ordinance, the District may make by ordinance the following changes: a) supplemental appropriations to the extent of revenues in excess of the estimated budget; b) emergency appropriations; c) reduction of appropriations for which originally estimated revenues are insufficient.
- 7) Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on final legally amended budgets.
- 8) Budget appropriations lapse at the end of each year.

The District legally adopted annual budgets for all of the District's funds for 2022.

### E. Restricted Assets and Classification of Fund Balance

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. It is the District's policy to use restricted assets first when an expense is incurred for which both restricted and unrestricted assets are available.

In the governmental fund financial statements fund balance is reported in five classifications.

**Nonspendable:** Nonspendable is that portion of fund balance that are not in spendable form, for example prepaid expenses or inventories.

**Restricted:** The Colorado Constitution as amended by TABOR (see separate statutory compliance note) requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases.

The District has restricted fund balance for operations fees not yet spent to fund operations costs. Additionally, the District has restricted fund balance for debt service as required by its bond indenture. The District also has restricted fund balance for unspent bond proceeds held in the Capital Improvement Fund. It is the District's policy to use restricted fund balance first when an expense is incurred for which both restricted and unrestricted fund balance are available.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

**Committed:** Committed is that portion of fund balance that has been committed by the highest level of formal action of the District's Board of Directors and does not lapse at year-end. The District does not have any committed fund balance at year end. It is the District's policy to use committed fund balance first when an expense is incurred for which both restricted and unrestricted fund balance are available.

**Assigned:** Assignments of fund balance are designated by District management.

**Unassigned:** Fund balance that has not been reported in any other classification is reported as unassigned.

### F. Property Taxes Receivable and Deferred Revenue

Property taxes are levied on December 15, and attach as an enforceable lien on property on January 1st of the following year, payable in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th. Property taxes are levied and collected on behalf of the District by Weld County and are reported as revenue when received by the County Treasurers. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31; however, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred revenue.

### G. Capital Assets

All capital assets purchased or acquired with an original cost in excess of the capitalization thresholds set by the District are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date of the donation. Repairs and maintenance are recorded as expenditures as incurred; while additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. All capital assets acquired have been dedicated to other local governments in accordance with the District's service plan.

### H. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

## 2. CASH AND INVESTMENTS

The District's policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills, and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less.

Investments are reported at fair value which is determined using selected bases. Short term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds.



# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

There is no custodial credit risk for public deposits collateralized under PDPA.

In order to facilitate the recording of cash transactions and maximize interest earnings, the District has pooled cash deposits for all funds. The District maintains accountability for each fund's equity in pooled cash. Interest earnings for combined funds are generally distributed based on monthly cash balances.

At December 31, 2022, all of the District's deposits were either held in deposit accounts insured by the Federal Deposit Insurance Corporation (FDIC) or in eligible depositories as required by PDPA in accordance with state statute, and had total balances (as reflected on the bank's records, before outstanding items) on deposit of \$84,909 which was covered by FDIC insurance.

The District has not adopted a formal investment policy; however, the District invests public funds in a manner which will provide the highest investment return with the maximum security, meet daily cash flow demands, and conform to all federal, state and local statutes governing the investment of public funds. This applies to the investment of all financial assets of all funds of the District over which it exercises financial control.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

Obligations of the United States and certain U.S. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee Valley Authority, and certain international agency securities, including the World Bank

General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies

Bankers' acceptances of certain banks

Certain securities lending agreements

Commercial paper

Written repurchase agreements collateralized by certain authorized securities

Certain money market funds

Guaranteed investment contracts

Local government investment pools

The investing local government's own securities including certificates of participation and lease obligations.

### **Local Government Investment Pool (COLOTRUST)**

Included in cash and cash equivalents is \$946,146 held in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. Plus+ and Edge may also invest in the highest rated commercial paper.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAM by Standard and Poor's and the EDGE portfolio is rated AAAs1 by Fitch Ratings.

As of December 31, 2022, the District had \$0 invested in Prime, \$946,146 invested in Plus+, and \$0 invested in Edge.

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value; Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at year end for which the investment valuations were determined as follows.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a \$10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

The following is a summary of cash and investments:

	Fair Value
Bank deposits	\$ 85,509
COLOTRUST	946,146
Total cash and investments	<u>\$ 1,031,655</u>

### Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, Deposit and Investment Risk Disclosures, are included below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits District investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The District has deposits in COLOTRUST Plus+. COLOTRUST is rated AAAM by Standard & Poor's.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. District policy places no limit on the amount the District may invest in any one issuer; however, the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All District investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by PDPA, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk disclosure requirements.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows as approved by the Board.

The District was not subject to foreign currency risk as of December 31, 2022.

### 3. FAIR VALUES OF FINANCIAL INSTRUMENTS

The District has a number of financial instruments, including cash and equivalents, receivables, and accounts payable, none of which are held for trading purposes. The District estimates that the fair values of its financial instruments at December 31, 2022 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

### 4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	12/31/2021	Additions	Deletions	12/31/2022
Non-depreciated:				
Water credits	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

During prior years, water credits were acquired and were dedicated to other entities in accordance with the District's Service Plan. No additional water credits were acquired during the current year. Depreciation, if applicable, is calculated using the straight-line method. There was no depreciation expense reported for 2022.

### 5. LONG-TERM OBLIGATIONS

A summary of changes in long-term obligations follows:

	12/31/2021	Additions	Deletions	12/31/2022	Due Within One Year
Series 2020A G.O. Bonds	\$ 4,185,000	\$ -	\$ -	\$ 4,185,000	\$ -
Series 2020B G.O. Bonds	515,000	-	-	515,000	-
Developer advances - capital	1,327,593	-	(404,205)	923,388	-
Developer advances - operating	88,550	61,000	-	149,550	-
	<u>\$ 6,116,143</u>	<u>\$ 61,000</u>	<u>\$ (404,205)</u>	<u>\$ 5,772,938</u>	<u>\$ -</u>

#### Limited Tax General Obligation Bonds Series 2020A and 2020B

General Obligation Bonds in the face amount of \$4,185,000 (Series 2020A) and \$515,000 (Series 2020B) were issued with a date of August 11, 2020. The interest rate is 5.125% for the Series 2020A bonds, payable semiannually on June 1, and December 1. Principal payments begin on December 1, 2025 and continue each December 1 until redeemed. The interest rate is 7.75% for the Series 2020B bonds, payable annually on December 15, to the extent subordinate pledged revenue is available.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

No interest and principal maturities are reflected in this section for the Series 2020B bonds since these payments are subject to available revenue. Final maturity dates are December 2050 for the Series 2020A Bonds and December 2050 for the Series 2020 B Bonds.

If any principal or accrued interest balances remain on either the Series 2020A or Series 2020B Bonds at December 15, 2050, the District will continue to levy taxes until the balances are fully paid. However, any balances remaining after December 15, 2059 will discharge and the District will no longer be obligated for the remaining balances.

The annual requirements to amortize the Limited Tax General Obligation Bonds Series 2020A are as follows:

Year	Bonds		Total
	Principal	Interest	
2023	\$ -	\$ 214,481	\$ 214,481
2024	-	214,481	214,481
2025	20,000	214,481	234,481
2026	55,000	213,456	268,456
2027	55,000	210,638	265,638
2028-2032	380,000	1,003,219	1,383,219
2033-2037	560,000	888,675	1,448,675
2038-2042	805,000	721,344	1,526,344
2043-2047	1,115,000	484,825	1,599,825
2048-2050	1,195,000	141,450	1,336,450
	<u>\$ 4,185,000</u>	<u>\$ 4,307,050</u>	<u>\$ 8,492,050</u>

The District has voted authorized debt limit of \$520,000,000 (limited to \$20,000,000 by the service plan and intergovernmental agreement) of which \$4,700,000 has been issued.

### Developer Advances

The developer of the area within the District has advanced funds to the District for capital outlay and for operating needs. Reimbursement of these advances are made as funds are available and as allowed by the bond indenture. These advances bear interest at 6.5%.

### **6. CONTINGENCIES**

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives represent that no claims have been asserted against the District and they are not aware of any un-asserted possible claims or litigation as of December 31, 2022.

### **7. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God.

The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the Pool) which is sponsored by the Special District Association of Colorado. The Pool provides property and general liability, automobile physical damage and liability, public official's liability and machinery coverage to its members. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage in the last three years. The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. During the year ended December 31, 2022, the Pool made no distributions to the District.

### 8. INTERGOVERNMENTAL AGREEMENTS AND COMMITMENTS

#### Town of Mead

The District entered into an intergovernmental agreement with the Town of Mead (Town) dated December 9, 2019. This agreement requires that the District dedicate District-constructed public improvements to the Town or other appropriate jurisdictions, except for any not accepted by said jurisdictions. The agreement requires that public improvements be constructed in accordance with the standards of the Town and of other appropriate jurisdictions. The service plan and the agreement limits the District's total debt to \$20,000,000.

The agreement also requires that at any time the District imposes a mill levy, the District will impose an additional Town O&M Mill Levy in the amount of 3.000 mills, as adjusted by the Gallagher Amendment Adjustment, for purposes of defraying the Town's ongoing operations and maintenance expenses associated with Town capital improvements and infrastructure, the streets within the boundaries of the District and other public improvements which may be dedicated to the Town by the District.

### 9. STATUTORY COMPLIANCE

#### TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations, which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extensions of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for financing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of spending (excluding bonded debt service). The required reserve at December 31, 2022 is \$4,360.

During formation of the District, its voters approved the removal of the application of certain requirements of TABOR to the District. The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

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## NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued

December 31, 2022

### 10. SUBSEQUENT EVENT

The District has evaluated subsequent events through July 18, 2023, the date which the financial statements were available to be issued. There were no material subsequent events that required additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## BUDGETARY COMPARISON SCHEDULE

### GENERAL FUND

For the year ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes.....	\$ 13,417	\$ 13,417	\$ -
Specific ownership taxes.....	620	896	276
Interest income.....	-	24	24
<b>Total revenues.....</b>	<b>14,037</b>	<b>14,337</b>	<b>300</b>
<b>EXPENDITURES</b>			
Accounting.....	12,875	12,297	578
Audit.....	5,800	5,800	-
Elections.....	3,000	3,227	(227)
Insurance.....	2,609	3,031	(422)
Legal.....	10,300	14,118	(3,818)
Maintenance.....	-	-	-
Management.....	6,000	5,969	31
Miscellaneous.....	3,245	1,599	1,646
Trash removal.....	-	-	-
Treasurers fees.....	201	201	-
Utilities.....	-	-	-
Contingency.....	5,000	-	5,000
<b>Total expenditures.....</b>	<b>49,030</b>	<b>46,242</b>	<b>2,788</b>
<b>Excess revenue over (under) expenditures.....</b>	<b>(34,993)</b>	<b>(31,905)</b>	<b>3,088</b>
<b>Other financing sources (uses)</b>			
Transfers in (out).....	(86,296)	(40,703)	45,593
Transfers to the Town of Mead.....	(3,050)	(3,050)	-
Developer advances.....	125,000	61,000	(64,000)
<b>Total Other financing sources (uses).....</b>	<b>35,654</b>	<b>17,247</b>	<b>(18,407)</b>
<b>Net change in fund balances.....</b>	<b>661</b>	<b>(14,658)</b>	<b>(15,319)</b>
<b>Fund balances, beginning of year.....</b>	<b>8,657</b>	<b>(10,391)</b>	<b>(19,048)</b>
<b>Fund balances, end of year.....</b>	<b>\$ 9,318</b>	<b>\$ (25,049)</b>	<b>\$ (34,367)</b>



# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## BUDGETARY COMPARISON SCHEDULE

### OPERATIONS FUND

For the year ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Operations fee revenue.....	\$ 55,860	\$ 59,902	\$ 4,042
<b>Total revenues.....</b>	<b>55,860</b>	<b>59,902</b>	<b>4,042</b>
<b>Expenditures</b>			
Accounting.....	12,875	12,297	578
Insurance.....	3,000	-	3,000
Legal.....	12,946	14,118	(1,172)
Maintenance.....	56,000	42,062	13,938
Management.....	6,000	6,200	(200)
Miscellaneous.....	1,800	2,931	(1,131)
Trash removal.....	14,535	11,881	2,654
Utilities.....	25,000	9,607	15,393
Contingency.....	10,000	-	10,000
<b>Total expenditures.....</b>	<b>142,156</b>	<b>99,096</b>	<b>43,060</b>
<b>Excess revenue over (under) expenditures.....</b>	<b>(86,296)</b>	<b>(39,194)</b>	<b>47,102</b>
<b>Other financing sources (uses)</b>			
Transfers in.....	86,296	38,624	(47,672)
<b>Total Other financing sources (uses).....</b>	<b>86,296</b>	<b>38,624</b>	<b>(47,672)</b>
<b>Net change in fund balances.....</b>	<b>-</b>	<b>(570)</b>	<b>(570)</b>
<b>Fund balances, beginning of year.....</b>	<b>-</b>	<b>570</b>	<b>570</b>
<b>Fund balances, end of year.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

ADDITIONAL SUPPLEMENTAL INFORMATION

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## BUDGETARY COMPARISON SCHEDULE

### CAPITAL IMPROVEMENT FUND

For the year ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Interest income.....	\$ 500	\$ 12,492	\$ 11,992
<b>Total revenues.....</b>	<b>500</b>	<b>12,492</b>	<b>11,992</b>
<b>EXPENDITURES</b>			
Capital Outlay.....	15,679,320	2,079	15,677,241
Debt Service.....			
Principal.....	849,944	404,205	445,739
Interest.....	-	-	-
Other.....	360	616	(256)
Contingency.....	2,000,000	-	2,000,000
<b>Total expenditures.....</b>	<b>18,529,624</b>	<b>406,900</b>	<b>18,122,724</b>
<b>Excess of revenues over (under) expenditures.....</b>	<b>(18,529,124)</b>	<b>(394,408)</b>	<b>18,134,716</b>
<b>Other financing sources (uses)</b>			
Transfers in.....	-	2,079	2,079
Developer advances.....	17,679,680	-	(17,679,680)
<b>Total other financing sources (uses).....</b>	<b>17,679,680</b>	<b>2,079</b>	<b>(17,677,601)</b>
<b>Net change in fund balances.....</b>	<b>(849,444)</b>	<b>(392,329)</b>	<b>457,115</b>
<b>Fund balances, beginning of year.....</b>	<b>849,444</b>	<b>848,786</b>	<b>(658)</b>
<b>Fund balances, end of year.....</b>	<b>\$ -</b>	<b>\$ 456,457</b>	<b>\$ 456,457</b>

# HIGHLANDS-MEAD METROPOLITAN DISTRICT

## BUDGETARY COMPARISON SCHEDULE

### DEBT SERVICE FUND

For the year ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes.....	\$ 51,607	\$ 51,607	\$ -
Specific ownership taxes.....	3,096	3,447	351
Interest income.....	700	9,944	9,244
<b>Total revenues.....</b>	<b>55,403</b>	<b>64,998</b>	<b>9,595</b>
<b>EXPENDITURES</b>			
Debt Service			
Principal.....	-	-	-
Interest.....	214,481	214,481	-
Trustee Fees.....	7,400	7,203	197
Treasurer fees.....	774	774	-
Contingency.....	5,000	-	5,000
<b>Total expenditures.....</b>	<b>227,655</b>	<b>222,458</b>	<b>5,197</b>
<b>Excess of revenues over (under) expenditures.....</b>	<b>(172,252)</b>	<b>(157,460)</b>	<b>14,792</b>
<b>Other financing sources (uses)</b>			
Transfers in (out).....	-	-	-
<b>Total other financing sources (uses).....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances.....</b>	<b>(172,252)</b>	<b>(157,460)</b>	<b>14,792</b>
<b>Fund balances, beginning of year.....</b>	<b>708,182</b>	<b>708,182</b>	<b>-</b>
<b>Fund balances, end of year.....</b>	<b>\$ 535,930</b>	<b>\$ 550,722</b>	<b>\$ 14,792</b>