

Highlands Ranch Metropolitan District
2022 Adopted Budget





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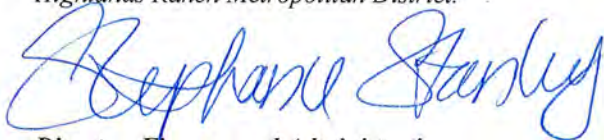
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I, Stephanie Stanley, certify that the attached is a true and accurate copy of the adopted 2021 budget of the Highlands Ranch Metropolitan District.



**Director, Finance and Administration
Highlands Ranch Metropolitan District**

December 13, 2021

Highlands Ranch Metropolitan District
Board of Directors and Citizens;

The budget document presents the Metro District's expenditure plan for the ensuing year and identifies the resources and revenues available to fund it. The budget represents funding of the priorities and policies established by the Board of Directors.

The Highlands Ranch Metro District is committed to providing quality municipal services while managing resources wisely for the community of Highlands Ranch. The Board has identified specific objectives that help to guide the budget process:

- Present a balanced budget
- Maintain the current level of service
- Maintain a minimum General Fund balance of 40% of annual operating expenditures
- Maintain all assets owned by the District

MANAGING CHALLENGES AND OPPORTUNITIES

The Highlands Ranch Metro District's primary source of revenue for operations is property tax. With the community at 98% of full build-out, the growth portion of the Taxpayer Bill of Rights ("TABOR") will be limited thus reducing future growth potential of increasing the property tax revenue stream.

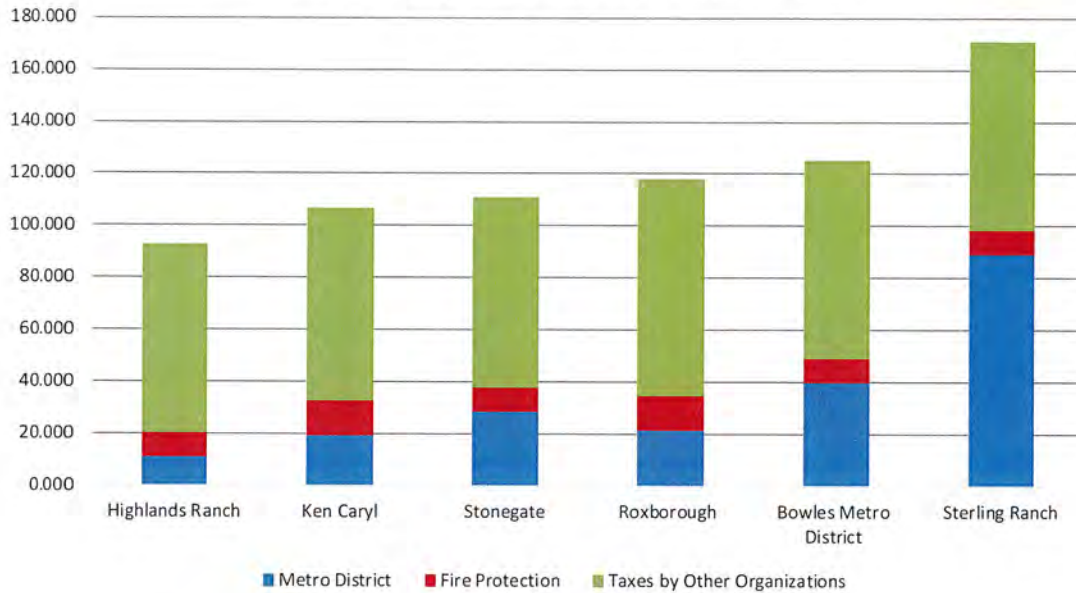
The mill levy for 2022 will remain the same as 2021 at 11.205. The 2022 Budget projects an increase in property tax revenue of \$1,201,807 (6.3%) from new construction and reassessment of all properties and an increase in specific ownership tax of \$214,000 for a total of \$1,415,807 over the 2021 Adopted Budget.

The 2022 budget was guided by direction from Board work sessions held during 2021 to review priorities and continue discussions on the long-range forecast. Enhancement of active aging adult programs including the construction of a Senior Center as well as upgrades needed for aging District facilities were included as budget decisions were made.

STRONG FINANCIAL POSITION

The Metro District prides itself on a very strong financial position with an AA+ rating from Standard and Poor's. Through long-term planning since its formation the District has been able to meet the needs of the community at a reasonable cost as evidenced by our lower property tax rate than many neighboring communities.

2021 Mill Levy Comparison Collected in 2022



2022 BUDGET

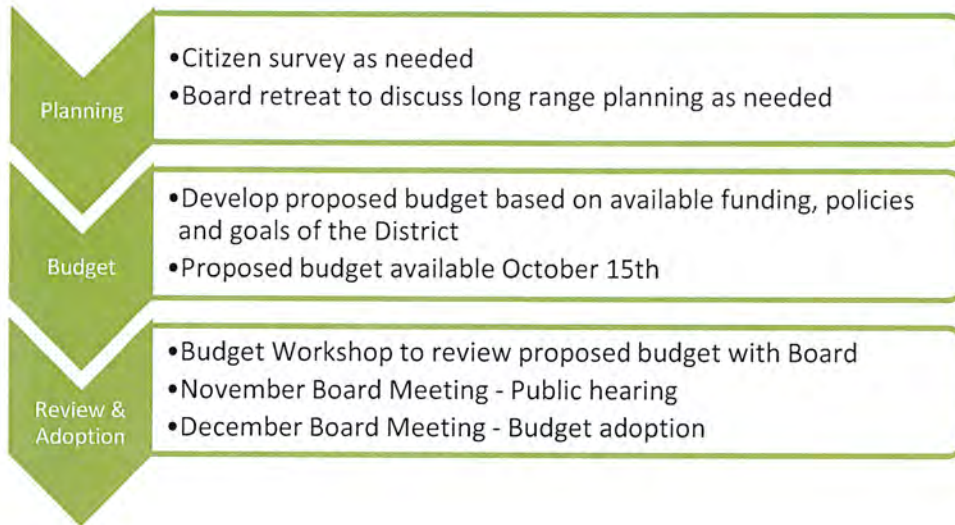
The 2022 Budget is a balanced allocation of resources to meet the continuing needs of the District to serve Highlands Ranch. The balanced budget meets all legal obligations mandated by federal, state and local laws. It is set forth as the financial plan and operations guide used to communicate to the citizens of Highlands Ranch.

The 2022 Budget approved and adopted by the Board of Directors on December 13, 2021, anticipates total expenditures of \$83.2 million. The 2022 Budget represents a decrease of \$8.1 million or 9.1% from the 2021 Budget. This reduction is mainly driven by the cost of the early retirement of debt in 2021.

The 2022 Budget anticipates \$71.0 million in revenues, an increase of \$1.25 million or 1.8% when compared to the 2021 Budget. These include:

- Budgeted tax revenues are expected to increase by \$1,415,807. The total certified mill levy applied to the certified assessed value for 2022 collection remains the same as 2021 at 11.205.
- Water and Wastewater rate income is budgeted at the same amount as the 2021 budget.
- Development fees are projected based on known construction projects. The 2022 budget projects a decrease in development fees of \$268,250 million or 1.3%. System Development Fees are the primary source of funding for basic infrastructure improvement projects. Tap Fees are collected and passed through in the form of the annual reserved capacity payment made to Centennial water and Sanitation District to acquire reserved capacity in the Centennial facilities sufficient to serve the Metro District service area.

BUDGET PROCESS



Since the District serves a stable community, the budget and forecast process is structured to match the re-assessment cycle.

Staff has developed a budget process with a cycle of zero based budgeting that can be managed effectively by staff. Below is the schedule for zero based budgeting:

- Special Revenue Funds will continue to be prepared as a zero-based budget annually
- The General Fund operation and maintenance functions will continue to be zero based every four years, however specific functions will be reviewed in each of the 4-year cycle on a rotating basis:
 - Parks Maintenance, Parkway Maintenance – 2022
 - General Government, Public Works, Finance – 2023
 - Open Space, Forestry, Fleet – 2024
 - Parks, Recreation and Open Space Management & Administration, Planning, Facilities Management - 2025
 - Vehicles & Equipment needs will continue to be evaluated annually
- Capital Projects, Major Repair, and Conservation Trust Funds use a 3-year budget projection to assist with planning.

PRIORITY BASED BUDGETING

The 2022 Budget was developed to achieve the desired results for the community as defined by the Board. The result areas are:

- Well planned and maintained infrastructure
- Safe and prepared community
- Cultural and recreational opportunities for all ages
- Attractive and healthy place to live
- Governance

The current budget includes programs and services to meet these results in the short term while keeping a long term perspective. The District prepares a seven year forecast to ensure that we will be able to maintain level of service and meet desired results.

During 2021, Staff discussed the financial forecast with the Board to understand potential changes and discuss how those changes could affect the priorities of the District. At the Budget Workshop the Board confirmed the priority for use of any available funding including:

- Balancing the annual budget for the General Fund after the draw-down of fund balance is completed.
- Major Repair and Water and Sewer Line Replacement funding
- Future Historic Park operations and maintenance
- Senior Center, Pickleball Courts, and enhanced active aging adult programs.

The Board reviewed timing of new capital projects and funding requirements for operations and capital improvements.

The planning effort forecasts expenses for personnel and utilities which are projected to increase three to five percent per year through 2027. Because the General Fund balance currently exceeds the 40% target, the District plans to spend down the existing balance to help bridge the gap between revenue and expenses. The current plan will allow the District to meet the Board's priorities.

Short-Term

Current service levels are maintained as a priority of the budget. In addition to current services, the budget implements or continues programs that began in prior years including but not limited to:

Conservation Trust Fund

- Historic Park improvements
- Continued implementation of the ADA transition plan
- Highline Canal Signage
- Marcy Gulch Trail improvements
- Reserving funds for Historic Park
- Toepfer Park field improvements
- Mansion grounds improvements

Capital Projects/Major Repair Fund

- Continuation of Parkway Fence Replacement Program – The 2022 Budget includes the replacement of approximately 13,300 linear feet of fencing for an estimated cost of \$1.32 million.

Long Term

Below is a brief discussion on the District's ongoing partnerships to provide services to Highlands Ranch.

- The Metro District has and will continue to partner with the Mile High Flood District (MHFD) formerly the Urban Drainage Flood Control District, on channel stabilization projects within Highlands Ranch. In 2021, staff began working with a consultant to update a long-range plan for stream stabilization projects. The results of this update will be reflected in the 2022 Capital Improvement Plan. The stormwater fee remains unchanged in 2022. Funds generated by this fee will be used to match funds with MHFD to complete these projects over the next 25 years.
- Transportation related issues including the ongoing maintenance of the roadways within the community, Santa Fe Corridor Improvements, and RTD service projects are important to the residents and businesses of Highlands Ranch. The Metro District built the major arterial roadways in Highlands Ranch and dedicated those roads to Douglas County for ongoing maintenance. Per a Memorandum of Understanding with the County, the Metro District provides significant input on the selection of enhancement and maintenance projects to be completed. In addition to working with Douglas County on local roads, staff and Board members participate on committees that review regional transportation issues such as C-470 initiatives and light rail service to Highlands Ranch.
- The Metro District cooperates with Douglas County to serve senior citizens and their families in northern Douglas County by employing a Senior Services Outreach Coordinator. This position is jointly funded by both organizations and provides guidance on the many agencies, programs and resources available to address the challenges facing our older citizens. After evaluation of existing services provided to seniors in Highlands Ranch and identification of needed programs the Metro District Board moved forward with the design and construction of a Senior Center. The site was selected in 2021 and construction will begin in 2022.

The Metro District maintains a Capital Improvements Plan that includes:

- The Facility Plan which details the base infrastructure necessary at build-out of the community. The plan acts as a guide to stakeholders for the long term infrastructure plan including funding. Staff updates the plan annually and presents it to the Board for adoption. This plan is the basis for calculation of the System Development Fee charged to all new development. Since the community is near build-out the majority of the infrastructure has been completed. One of the few projects remaining is the completion of Historic Park which is anticipated to begin in 2026 after the remainder of the Historic Park is donated to the District by the developer. The District has completed all other neighborhood and community parks identified in the Facility Plan.
- The Long-Range Conservation Trust Fund Plan identifies parks, open space and recreation uses for the District's share of lottery money received from the state.
- The Stormwater Long Range Plan is a 30-year plan for improvements in the District. Funds for these improvements come from the Stormwater Fee and UHFD.

- The Major Repair Fund. On-going funding comes from two primary sources:
 1. Cell phone lease fees are deposited directly to the Major Repair Fund.
 2. The District has chosen to transfer monies from the General Fund:
 - \$2,000,000 annually from the General Fund to fund the increasing needs as the result of an aging infrastructure
 - \$384,201 for 2022 replacement of vehicles and major equipment

FINANCIAL POLICIES

In addition to the numerous financial policies adopted internally by management, the Board of Directors has established financial policies for fund balances, transfers, investments, purchasing, and compensation.

Budget Procedures

The Metro District’s budget procedures shall comply with Local Government Budget Law of Colorado as outlined in Colorado Revised Statutes (C.R.S.) Title 29 Article 1 Part 1 Budget Services Part 1, for the preparation, consideration, adoption execution and audit of the annual budget.

Balanced Budget

- The budget shall be balanced by fund.
- The budget will be considered balanced if:
 - Estimated revenues and resources for each fund will equal or exceed recommended appropriations.
 - Fund balances meet or exceed the targeted ending fund balances established by the Board.

Fund Balances

Targeted ending fund balances for the General Fund and the Debt Service Fund are adopted with the approval of the 2022 Budget.

- The General Fund will continue to maintain a fund balance (effectively working capital) equal to at least forty percent of the next year’s estimated operating expenditures.

Investment Policy

Colorado State Statutes specify investment instruments used by local governments must meet defined risk criteria. The Metro District has adopted an investment policy that is more restrictive than the State Statutes and is limited to:

1. U.S. Treasury Obligations: Treasury Bills, Treasury Notes, and Treasury Bonds with a final maturity not exceeding five years from the date of purchase and U.S. Treasury STRIPS with maturities not exceeding five years from the date of purchase.
2. Federal Instrumentality Securities: Debentures, discount notes, and callable securities with a final maturity not exceeding five years from the date of purchase issued by the following: Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), and Student Loan Marketing Association (SLMA).
3. Repurchase Agreements, executed subject to an approved Master Purchase Agreement, with a termination date of 90 days or less collateralized by U.S. Treasury Securities listed above with maturities not exceeding ten years.

4. Corporate Debt: debt issued by any corporation or bank organized and operating within the United States with a maturity not exceeding three years from the date of trade settlement. The debt must be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs and rated not less than AA- by any Nationally Recognized Statistical Rating Organization (NRSRO) that rates it. The District shall limit investments in Corporate Debt to no more than 25 percent of the total portfolio and 5 percent per issuer.
5. Prime Commercial Paper with an original maturity of 180 days or less which is rated at least A-1 by Standard & Poors or P-1 by Moody's at the time of purchase by each service which rates the commercial paper.
6. Eligible Bankers Acceptances with original maturities not exceeding 180 days, issued on domestic banks whose senior long-term debt is similar to 4 above; that have a combined capital and surplus of at least \$250,000,000; and have deposits insured by the FDIC.
7. Local Government Investment Pools authorized under CRS 24-75-701 and 702.
8. Money Market Mutual funds which have a rating of AAA by Standard and Poors or AAAM by Moody's.

Purchasing Guidelines

Purchasing Guidelines are intended to ensure that purchases are made in accordance with good business practices while streamlining necessary administration. The Purchasing Guidelines were first implemented in the early 1980's and were most recently revised on September 1, 2020. The Purchasing Guidelines set the structure for delegated authority, levels for obtaining bids, and allowable purchases. In all circumstances, approvals cannot take place unless sufficient funds have been appropriated for the project by the Board of Directors. Any adjustment to the appropriations must also be presented to the Board of Directors for approval.

Compensation Plan

Personnel costs represent 54% of the operating budget for the Metro District. The 2022 Budget anticipates an average increase of 4.25% in wages. The District utilizes a matrix formula to calculate average wage increases. For 2022, the matrix calculated an increase of 2.9%, however to retain and attract employees the District's Board elected this year to choose a rate higher than the matrix formula.

The Board has established guidelines for determining wage compensation. The Board's objective is to administer salary changes fairly and consistently for all types of increases. To meet this objective the Board has provided staff with the following guidelines:

- Produce a compensation plan, which is consistent with the budget expectations found in the annual budget.
- Attract and retain quality employees.
- Ensure market competitiveness by targeting the level of compensation to be at or slightly above market. This is accomplished by assigning ranges so that our midpoint falls within a range of 100% to 105% of the surveyed midpoint.
- Ensure consistency by establishing a list of organizations for benchmark position market comparison that will be used consistently over time for each category.
- Within budget constraints, treat employees fairly.
- Treat exempt and non-exempt employees comparably.

Benefits

The District benefit package offers benefits that are comparable with that offered by other local governments. There are no changes to benefit levels in the 2022 budget. The budget increase reflects the anticipated increase in premium costs.

To provide cost effective benefits the Board has authorized the following:

1. Participation with Centennial Water and Sanitation District in a defined contribution retirement plan. The plan is in lieu of participation in social security for regular employees and the contribution is the same 6.2% as would be contributed to social security.
2. A 457 plan that allows for matching of employee contributions of up to 6% by the District depending on the employee's contribution level.
3. Medical, dental and vision plans offered in conjunction with the Special District Association via the Colorado Educational Benefit Trust. These plans have historically provided premium increases less than the market. The medical plans that are offered are fully compliant with the Affordable Care Act.

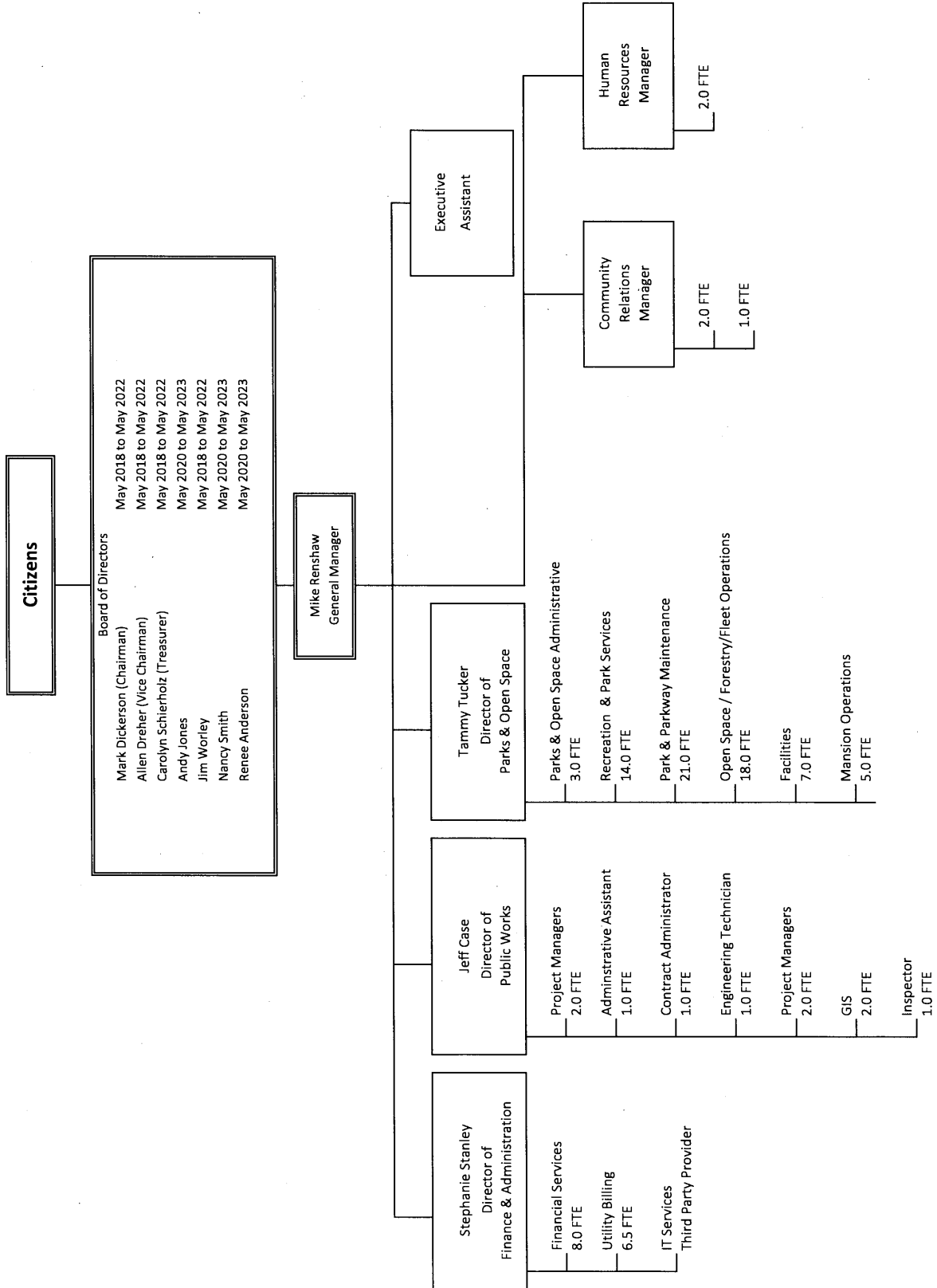
Each year balancing available resources with the costs to provide quality services can be challenging. Highlands Ranch Metropolitan District is committed to providing quality municipal services while managing resources wisely. The 2022 Budget enables the Metro District to provide services which meet needs and enhance the quality of life for its citizens.

We encourage readers to read the Introduction and narrative for each fund for more detailed information on the Revenue Sources and the outflow of funds in addition to reviewing the financial summaries.

Sincerely,



Stephanie Stanley
Director of Finance and Administration
Highlands Ranch Metropolitan District





Mission Statement:

We are committed to providing quality municipal services while managing resources wisely for the community of Highlands Ranch.

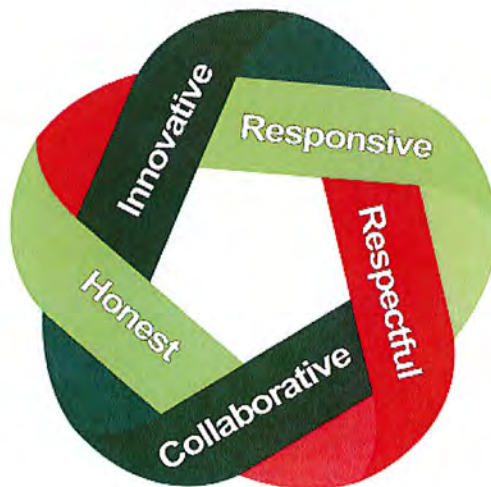
Vision:

To lead cooperative efforts to assure quality, responsive service and support to our community in the creation and management of:

1. Parks and Recreation
2. Open Space
3. Public Works
4. Cultural Activities

We will ensure wise use of our resources by encouraging citizen involvement and public/private collaboration.

Guiding Principles:



HOW TO USE THE BUDGET DOCUMENT

This section is intended to assist those readers not familiar with the Highlands Ranch Metropolitan District budget documents - or local government organizations - in gaining an understanding of how the budget is organized and what information is presented.

The first section of the Budget – the **INTRODUCTION**- is devoted to an overview of the Budget document. It includes:

- Budget Transmittal which overviews the philosophy related to the District
- An organization chart
- A recap of our mission, vision and guiding principals
- Budget Highlights narrative that provides an overview of the entire budget
- A tabular form of the key economic assumptions that are used to drive the significant expenditures in the budget.

The second section – the **SUMMARY**- includes a quick reference to basic information in a capsulated form. Included in this section is:

- Combined (All Funds) statement of Revenues, Expenditures and Changes in Fund Balance for 2020 as well as the projected 2021 and proposed 2022 fiscal years.
- Calculation and allocation of property tax revenue among the various funds.

The final section of the document deals with the **BUDGET BY FUND** which includes summaries for each of the Fund budgets adopted by the District and specific details related to each of the expenditures for the District's various funds. For those first reviewing a governmental document:

Funds are a self-balancing group of accounts which are used to record the expenditures for various types of activities performed by the funds and to account for different monies coming into the District in different ways. The fund balance represents the difference between assets and liabilities reported in a governmental fund.

The first part of each fund section is devoted to a narrative describing the purpose of the fund and listing the activities performed within the funds. The remainder of the fund sections contains the statements of Revenues, Expenditures and Changes in Fund Balance for the period 2020-2022.

The various fund types contained in the Budget and a description of each are as follows:

General Fund:

The General Fund is the general operating fund of the District. This fund is used to account for all financial resources except those required to be accounted for in another fund. Typical activities associated with this fund include operation and maintenance of facilities and general management of the District. These activities, more fully described under the General Fund Narrative, include expenditures for such things as parkway landscape maintenance, open space maintenance, park maintenance, accounting, engineering, etc.

Special Revenue Funds:

Special Revenue Funds are used to collect and disburse monies earmarked for specific purposes due to either legal or contractual arrangements.

Utility Special Revenue Fund:

Water and wastewater operating revenues and the related expenditures for operations are accounted for in the special revenue fund. The District has chosen this type of fund because the revenue from service fees is essentially passed through to another entity - Centennial Water and Sanitation District - pursuant to terms of an intergovernmental agreement (IGA). The District does not, although it is authorized to, markup the rates approved by Centennial to recover other costs of the District or the cost of depreciation. Instead, the IGA with Centennial is a full-service contract that requires Centennial to provide all maintenance up to but not including replacement of the assets.

Utility Special Revenue Fund Continued:

Streetlight operating revenues and related expenditures for operations are also accounted for in the special revenue fund. Similar to the Water and Wastewater operating revenues, the service rates are established to recover the cost of the operations of the streetlights since the assets themselves are owned by Xcel Energy.

Recreation Special Revenue Fund:

This fund collects and segregates the revenues from fees paid for recreation programs offered by the District and the use of District owned facilities. To match expenses with revenues, this fund is used to account for:

- expenditures related to the direct cost of providing recreation programs.
- costs related to recreation services other than programs including, in addition to the base maintenance of facilities and fields, the enhanced maintenance necessary to provide the District's desired level of facilities and fields for our programs.

The base level of maintenance provided within this fund is subsidized by an operating transfer from the General Fund, which is not the primary funding source of the fund.

Mansion Special Revenue Fund:

This fund collects and segregates the revenues paid from private rental of the Highlands Ranch Mansion and the expenses related to providing for these rentals.

Conservation Trust Special Revenue Fund (CTF):

The CTF is a special revenue fund utilized only for the receipt of proceeds from the Colorado Lottery. Expenditures for CTF eligible projects are made from this fund. Projects with commingled funding from Lottery proceeds and other sources are paid from the non-CTF fund (i.e. Capital Projects Fund, Stormwater Fund, and Major Repair Fund).

Stormwater Management Fund:

For budgetary purposes this fund collects and disburses funds related to the management of stormwater within the District owned open space channels. A fee for stormwater management is charged to all properties in Highlands Ranch. The expenditures related to the stormwater management program include ongoing maintenance of our channels, water quality detention areas, educational programs and capital improvement projects designed to stabilize the open space. Additional funding comes from the District partnering with Urban Drainage Flood Control District and other interested parties whenever possible to complete these projects.

For financial statement purposes the revenues and operating expenditures are reflected in the General Fund. Capital expenditures are incurred in the Capital Projects Fund, funded by a transfer equal to the appropriated amount from the Stormwater Management Fund.

Debt Service Fund:

This fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and other costs related to the management and retirement of debt. In 2021, all outstanding debt of the District was retired therefore there are no longer funds in the Debt Service Fund.

Capital Projects Funds:

This fund is comprised of three sub-funds – the General Government Capital Projects Fund, the Major Repair Fund, and the Water & Sewer Reserve Fund, all of which are discretely disclosed in the annual CAFR.

The General Government Capital Fund accounts for financial resources used for the acquisition or construction of major capital improvement projects. The capital improvement projects funded from these resources are those identified in either the District's Facilities Plan or the Capital Improvements Plan.

The Major Repair Fund accounts for financial resources used for major repairs, renovations or replacements of District facilities. Funding includes cell phone tower lease income as well as transfers from the General Fund.

The Water & Sewer Reserve Fund accounts for financial resources used for replacement of in-tract water and sewer lines. Initially, developers install and donate in-tract lines to the Metro District. As of December 31, 2021, the Metro District owns \$66.3 million of in-tract lines. In 2018, the Metro District amended the Water & Wastewater Agreement with Centennial Water and Sanitation District to manage the replacement program.

The appendix includes copies of key resolutions and certifications required to demonstrate compliance with Colorado Statutes.

BUDGET HIGHLIGHTS

SERVICES

Highlands Ranch Metropolitan District was organized for the purpose of providing municipal type services to the community of Highlands Ranch. The District's service plan (last amended in 2006) authorizes the District to provide the following services:

- Parks and parkway maintenance and construction
- Open space maintenance
- Street and storm drainage construction and miscellaneous maintenance
- Streetlight operations and maintenance
- Water and wastewater service
- Parks, recreation and cultural programs.

In accordance with Colorado State Budget Law, the District's Board of Directors holds a public hearing in the fall of each year to review the current year's budget, approve the following year's budget and appropriate the funds necessary to operate for the ensuing year. Although it is the intent of the Board of Directors to adopt a budget which will go unchanged, statutes do allow the Board to modify the budget and the appropriation resolutions upon completion of notification and publication requirements. This budget was prepared so that the subsequent accounting for the revenue and expenditures detailed in this document would comply with generally accepted accounting principles. The District uses the Modified Accrual Basis of Accounting.

FUND BUDGETS

The District prepares budgets for the following funds:

- General Fund
- Special Revenue Funds
 - Utility
 - Recreation Programs
 - Highlands Ranch Mansion ("Mansion")
 - Conservation Trust Fund
- Stormwater Management Fund
- Debt Service Fund
- Capital Projects Fund includes the following sub funds:
 - General Government Capital
 - Major Repairs
 - Water & Sewer Reserve Fund

The rest of the Budget Highlights section provides a narrative description of the major revenue sources and expenditure items found in the Budget. Questions concerning the contents of this document can be answered by reading the section on [How to Use the Budget Document](#).

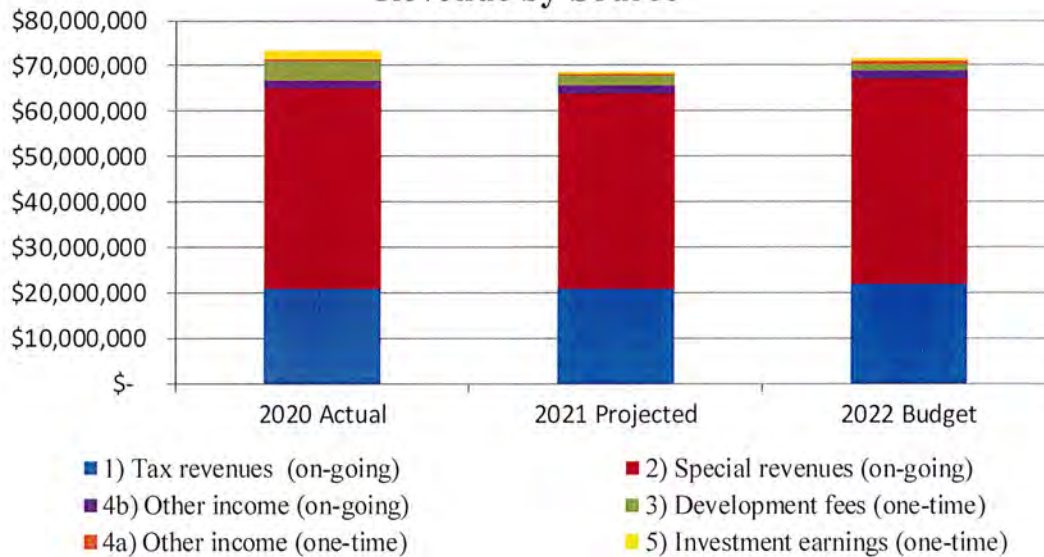
REVENUE SOURCES

The District has five primary categories of revenues as well as a collection of categories labeled as other:

1. Tax revenues - the major long-term source of revenue includes property tax and specific ownership tax
2. Special revenues - primarily rates and fees for services as well as Colorado Lottery Proceeds
3. Development fees
4. Other income (includes items such as licenses from cell phone towers and equipment, capital contributions from 3rd parties, and inter and intra governmental revenue from cost sharing agreements.)
5. Investment earnings on accumulated fund balances

	<u>2020 Actual</u>	<u>2021 Projected</u>	<u>2022 Budget</u>	<u>% Change</u>
1) Tax revenues (on-going)	\$ 20,675,020	\$ 20,760,746	\$ 21,896,553	5.47%
2) Special revenues (on-going)	44,208,449	43,094,230	45,092,900	4.64%
3) Development fees (one-time)	4,043,533	2,220,444	1,505,125	-32.22%
4a) Other income (one-time)	374,548	313,537	450,250	43.60%
4b) Other income (on-going)	1,972,756	1,654,000	1,915,000	15.78%
5) Investment earnings (one-time)	1,784,896	374,579	118,300	-68.42%
	<u>\$ 73,059,200</u>	<u>\$ 68,417,536</u>	<u>\$ 70,978,127</u>	<u>3.74%</u>

Revenue by Source



The following briefly describes the revenue sources. Detailed information on the revenue collection is found in the respective budget sections that receive the revenues.

Taxes

The District receives property related tax revenue from two sources:

- From the assessment of property taxes against real and personal property calculated by applying a mill levy against the current assessed value of the property; and
- From the District's share of specific ownership taxes collected on automobiles registered in Douglas County.

Assessed Valuation. The Assessed Valuation as of January 1 of each year to be collected in the following year has been certified as follows and has the impact on total property tax revenues as shown:

	2020 AV	2021 AV	Change	
	Collected 2021	Collected 2022	\$	%
Assessed Value	\$ 1,733,778,940	\$ 1,843,672,700	\$ 109,893,760	6.3%

Specific Ownership Tax. The District shares in the Specific Ownership Taxes (“SOT”) collected by Douglas County for all automobile licensing in the county. The allocation is based on a formula established by statute that proportions the collections first to specific entities such as the County and the school district with the remainder allocated to local entities based on their relative property tax burden. For budgetary purposes, it is assumed that the 2022 SOT collections as a percentage of total tax revenues will be 8.6% of total property tax revenues. The District saw its SOT distributions increase in 2021 and the 2022 budget projects a slight decrease from 2021 projected collections.

Subject to limitations of the Taxpayers Bill of Rights (“TABOR”) a total mill levy is certified for both the General Fund and Debt Service Fund. Pursuant to the TABOR and the District’s long-range forecasting needs and consistent with Ballot Question 2 referenced below which allows the District to impose a mill levy of no more than 19.750. Voters approved inclusion into the South Metro Fire Rescue (SMFR) on May 8, 2018. In 2020, based on the intergovernmental agreement with SMFR, the Metro District reduced its maximum mill levy by 7.0 mills to 12.750. In 2021, the District retired their debt obligation therefore the entirety of the mill levy is now allocated to the General Fund

	2021	2022	Numeric Change	% Change
General Fund mill levy	9.055	9.205	0.150	1.66%
GF allocated to capital projects*		2.000	2.000	
Debt Service Fund mill levy	2.150	0.000	(2.150)	-100.00%
Total Mill Levy	11.205	11.205	-	0.00%

* \$ value approximately \$3,600,000

Voter approval of Ballot Question 2 from the consolidation election held on May 2, 2006 overrode any imposed mill levy and
December 13, 2021

revenue limitation for the District established in C.R.S. 29-1-301. Therefore, the voters determined that the District’s General Fund mill levy **shall not be** constrained by what is commonly referred to as “Gallagher” or “5.5% adjustment.” If the constraint had not been overridden, Gallagher would have restricted the annual increase in General Fund property tax revenue, after adjustment for new growth, to a 5.5% increase.

Property valuations are reassessed effective January 1 of each odd numbered year. Since 2021 was a reassessment year it provides the basis for valuation for the property taxes to be assessed for collection in 2022 and 2023. In 2020, there was an amendment on the Colorado State ballot, *Amendment B Repeal Gallagher Amendment*, which passed, freezing the residential rate at 7.15% and kept the non-residential rate at 29%.

Special Revenues

Utility revenues

The District’s utility rates are comprised of the following:

- A water and sewer base rate that is a pass-through of rates assessed by Centennial Water and Sanitation District (“Centennial”) for providing water and wastewater service to the District’s customers. Although the District is allowed to surcharge the base rate it has chosen not to.
- The Metro District may charge an infrastructure replacement fee in the future to fund replacement of in-tract water and sewer lines. The District is currently funding these replacements with a transfer from the General Fund.
- A streetlight fee assessed against:
 - Residential property in order to pay for streetlights located within residential subdivisions and adjacent to arterial roadways.
 - Nonresidential property to pay for streetlights located adjacent to arterial roadways.

The District passes through the rates charged by Centennial which are summarized on page SR 4 of this budget. The water rates charged by the District and Centennial are assessed based on actual usage subject to consumption levels determined by a “Water Budget” calculated for each individual customer.

The streetlight fee was initially calculated to "pass-through" the costs of providing streetlight service in residential areas and is anticipated to be similar to the unincorporated streetlight fee in other unincorporated areas that are based on the tariffs and allowed commodity adjustments charged by Xcel Energy Company. Since 2012, the streetlight fee has recovered the cost of streetlight service for residential areas as well as for streetlights adjacent to arterials. The 2022 proposed budget proposes the fee to remain unchanged at \$6.70 bi-monthly.

The “typical” Highlands Ranch utility customer has a 7,500 square foot lot and has average historical annual water usage of 117,000 gallons which is the basis for the comparison shown below. Based upon the existing and proposed rate structures, the typical single-family customer would have the following annual costs:

	2021	2022	Increase (Decrease)
Water (typical residential customer)			
Centennial base rate	\$ 480	\$ 504	5.1%
Wastewater	332	350	5.6%
Water Service Availability Charge	201	209	4.0%
	1,012	1,064	5.1%
Streetlights	40	40	0.0%
Stormwater	16	16	0.0%
Water & Sewer Replacement Fee	-	-	
	\$ 1,068	\$ 1,120	4.8%

Customer bills will vary from the table above if:

- The lot size is smaller than or larger than the typical lot, resulting in average bills less than or greater than respectively due to the water consumption portion.
- The usage is less than or greater than the historical average customer use.
- The customer exceeds their water budgets and is subject to additional fees based upon sharply increasing tiers for the excess water use.

Stormwater management fees

These fees are the primary source for funding the storm water management program, and is projected to generate approximately \$915,000 in 2022. The Metro District utilizes this fee, after funding expenses necessary to maintain conditions within the stormwater basins, to match funds from Urban Drainage Flood Control District for capital projects. The 2022 fee is unchanged from 2021:

	<u>2021 Annual Fee</u>	<u>2022 Annual Fee</u>	
Residential	\$ 15.84	\$ 15.84	per unit
Non-Residential	\$ 23.76	\$ 23.76	per 3,000 sq. ft. of impervious area

Recreation program fees

The primary source of funding for the Recreation Fund is program revenues related to recreation programs and reservations of park facilities. The fee schedule can be found in the appendix of the budget document.

Mansion rental fees

The primary source for funding the Mansion operations come from facility rental fees with additional revenues derived from ancillary charges related to the rental events for such items as liquor sales and catering kitchen use.

Development Fees

The District has established development fees that are imposed on new residential, commercial, and industrial development:

- A Tap Fee is collected from new customers at the time the customer requires the installation of a meter to obtain water service. The Tap Fee charged by the District is an amount equivalent to the Reserve Capacity Fee established by Centennial Water and Sanitation District plus Centennial assessed fees for 1) a one-time channel stabilization surcharge designed to protect the surface water supplies from runoff; and 2) a water acquisition fee.
- A Systems Development Fee is collected at the same time as, or prior to, the collection of the tap fees for the specific property. The Systems Development Fee, which is recalculated annually, is designed to recover the estimated costs for the construction of the base infrastructure for arterials, arterial landscaping, storm drainage facilities, parks and fire protection facilities. Effective January 1, 2019, Metro District is no longer responsible for fire protection services. The historical and future estimated costs for these improvements are found in the section of the comprehensive capital improvements planning document known as the District's Facilities Plan.
- In addition to the above, a fee is assessed to the builders for plan review of new connections to the water and wastewater system. Centennial assesses the entire fee and all costs are expensed when transmitted to Centennial.

Other

Other revenues to the District include:

- Contributions made by other governmental entities, the developer or other sources towards construction projects. These are one-time revenues and vary widely from year to year.
- Proceeds from an intergovernmental agreement with Centennial wherein the District recovers the cost of shared employees and expenses.
 - Certain employees in Public Works, Human Resources and Community Relations are shared District employees and revenues are received by the District pursuant to the agreement.
 - Finance and Administration department employees, except for the Director of Finance and Administration, are employees of Centennial and therefore 50% of the salaries and benefits paid by Centennial are an expense to the District.
- Agreements with providers of cellular service to lease space on District owned landscaping for antenna towers and/or electronic equipment.
- Other small reimbursements and miscellaneous charges.

Investment earnings

The District invests funds in excess of current requirements according to an investment policy approved by the Board of Directors. For 2021, interest earnings on investments are projected to be over budget by \$92,379. For the 2022 budget year, we are assuming a 0.25% return on investments for the 2022 budget year.

	<u>2021 Budget</u>	<u>2021 Projected</u>	<u>2022 Budget</u>
Assumed interest rate on investments	0.50%	0.50%	0.25%

BUDGET EXPENDITURES

The expenditures for the Budget are broken down into 4 distinct types as applicable to each fund:

1. Operations
2. Water and wastewater
3. Debt service
4. Capital outlay and reserved capacity payments

A brief summary of the highlights for each of these categories of expenditures is contained below. Detailed information on the expenditures is found in the respective specific sections.

Operations

The operations expenditures relate to the funding of the major District activities – Parks, Recreation and Open Space, Public Works, Cultural which includes the Mansion operations and the support functions of various General Management Activities such as finance, IT and human resources.

Water and wastewater

The District pays directly to Centennial Water and Sanitation District for the water and wastewater services acquired by the District on behalf of its customers. The revenues received from billings to its customers offset these expenditures.

Debt Service

To the extent funding was not available from the collection of development fees, the District issued General Obligation debt in order to fund 1) capital improvements identified in the Facilities Plan section of the Capital Improvements Program, and 2) its obligation to acquire Reserved Capacity.

In 2021, the District Board directed staff to utilize funds from the General Fund to retire the debt early.

	2021 <u>Projected</u>	2022 <u>Budget</u>
Principal payments	\$ 19,190,000	\$ -
Interest payments	345,420	-
	<u>\$ 19,535,420</u>	<u>\$ -</u>

Capital Outlay and Reserved Capacity Payments

Appropriations for the Capital Improvements Program are made throughout the year based upon the actual projects required and the bids received for construction. Net available authorization for capital expenditures is calculated as follows:

- New appropriations made during the year;
- Plus any carry-forward unexpended appropriations from prior years;
- Less any unexpended prior year appropriations that are rescinded by the Board at the completion of a project.

For example, to the extent that the District does not expend authorized 2021 appropriations, which includes any net amount carried forward from 2020, the unexpended amount will be carried forward to 2022 and will be added to the actual 2022 appropriations to calculate the authority for 2022 expenditures. The anticipated expenditure pattern is summarized on the narrative for the Capital Projects Fund.

Pursuant to state regulations, a transfer from the Conservation Trust Fund to another fund is required to be shown as an expenditure in the Conservation Trust Fund and revenue in the receiving fund rather than the normal accounting as an operating transfer.

As explained more fully within the text of the Budget, the District is required to advance fund the acquisition of Reserved Capacity from Centennial Water and Sanitation District by purchasing capacity (i.e. taps) for new inclusions. Although funding of this advance payment may be done from bond proceeds, and was prior to 2000, as a result of the significant development within the Districts that has occurred since 1999, these payments have been, and continue to be, funded from collected Tap Fees. In addition to the annual base Reserved Capacity payment, the District is required to collect and remit all Centennial adopted surcharges. These currently include a channel stabilization surcharge and a water acquisition fee imposed by Centennial to be collected and remitted at the time of the sale of a tap. The surcharges from Centennial were \$1,730 per ¾" tap equivalent throughout 2021 and will remain the same in 2022.

TARGETED FUND BALANCES and OPERATING TRANSFERS

General Fund

The District has established a goal of maintaining an available ending fund balance equal to 40% of the following years net expenditures – operating expenditures minus the offsetting revenues described above. The year-end projection for 2021 is approximately 83% with a budgeted increase to 92% in 2022. The long term forecast prepared by staff plans to spend down excess fund balance until the outstanding District debt is either retired or significantly reduced. The drawdowns are projected based on numerous variables and may occur as the result of both increased spending from the General Fund as well as transfers to other funds for specific project funding.

Debt Service Fund

The 2022 Budget maintains the Board's current policy of maintaining an ending fund balance for Debt Service equal to the following year's principal and interest payment.

Transfers

Operating transfers represent transfers of available resources from one fund to another. The District has several operating transfers that are made each year. Automatic transfers include:

- Investment income earned in the various funds is retained by the respective fund except as denoted below:
 - Investment income collected in the Special Revenue Utility Fund is transferred to the General Fund except as noted below.
- The General Fund will transfer to the Recreation Services Special Revenue Fund sufficient funds to maintain a zero-ending fund balance at year-end.

In addition to the automatic transfers, the Board considers and authorizes as necessary the other transfers described below. The major transfers in 2022 include:

- Since the District retired its outstanding debt in 2021 a portion of the mill levy that was funding annual debt service payments beginning in 2022 will be transferred to the Capital Projects Fund to build fund balance for future capital needs including by not limited to Historic Park. **The 2022 Budget anticipates a transfer from the General Fund to the Capital Projects Fund in the amount of \$3,690,000.**
- The District annually reviews whether to include in its General Fund budget funding for an annual transfer to the Major Repair Fund. **In 2022 a transfer is anticipated in the amount of \$2,384,201.**
- The District includes in its General Fund Budget funding for an annual transfer to the Recreation Special Revenue Fund to offset general recreation services that are intentionally not offset by program revenues. **In 2022 this transfer is estimated to be \$585,307, a decrease of \$12,506 from the 2021 projected.**
- Per its agreement with Centennial, the District is required to maintain a fund balance in the Water & Sewer Reserve Fund of \$500,000. **In 2022 General Fund Budget assumes there will a transfer of \$700,000 to the Water & Sewer Reserve Fund for this purpose.**

In addition, although none of these are anticipated in 2022, the fiscal policies state:

- To the extent that the District does not have Tap Fee collections, bond proceeds or other miscellaneous revenues available to fund the required reserve capacity payment to Centennial, the District will make a transfer from other funding sources to the Special Revenue Fund.
- To the extent that the District does not have Systems Development Fee collections, bond proceeds or other miscellaneous revenues available to fund the general government capital improvements program, a transfer from other funding sources to the General Government Capital Projects Fund.
- To the extent that the target General Fund ratio exceeds a 40% fund balance to expenditures ratio, the District may transfer from the General Fund to another fund.

KEY BUDGET ASSUMPTIONS

GENERAL ASSUMPTIONS

Based on historic trends, current YTD and builder provided information, it is assumed that the number of completed residential dwelling units will be as follows:

	2021 Budget	2021 Projected	2022 Budget
Single Family	50	10	50
Multi Family	175	154	125

Based on historic, current YTD and information currently being processed by the Public Works division, it is assumed that the number of acres of completed nonresidential development within the District will be as follows:

	2021 Budget	2021 Projected	2022 Budget
Nonresidential acres	0.00	0.00	0.00
Nonresidential tap equivalents - indoor	0	18	0
Nonresidential tap equivalents - irrigation	0	1	0

Investment earnings on accumulated cash in the District's treasury (net of management fees) are assumed to be:

	2021 Budget	2021 Projected	2022 Budget
Assumed interest rate on investments	0.50%	0.50%	0.25%

OPERATIONS BUDGET

Growth assumptions:

Open space areas maintained increase by	0 acres
Park areas maintained increase by	0 acres
Parkway landscaped areas maintained, net increase of	0 acres

Changes in Personnel:

The 2022 budget includes requests for two new full-time equivalents offset by a reduction in seasonal wages; a request for one-time wage adjustment, and increase to employer match for the 457 Retirement Plan. In addition to the requests the following assumptions for the personnel category expenditures:

The 2022 compensation budget is based on a formula consistent with the Compensation Plan updated and adopted annually by the Board. The formula includes an adjustment to the range structure, merit pay based on performance and an adjustment to market conditions based on information supplied to the Board. Employers Council data is used to estimate a structure adjustment of 0.9% for 2022 and the existing performance matrix based on the employee census would estimate an average Districtwide increase for performance of 2.0%. During the budget workshop in November 2021, the Board of Directors chose to elect an average annual increase of 4.25% to stay competitive compared to similar Districts.

The benefits program, which is reflected in the cost of payroll expenses, includes the following:

- ***Health (medical/dental/vision) insurance.*** In 2022 the District health plan options will still provide employees a choice between a PPO, EPO and Kaiser plan. The budget still identifies no cost sharing for the employee coverage and 25% contribution to the family portion of the monthly premiums.
- ***Highlands Ranch Special Districts Retirement Plan*** –The defined contribution plan is funded from 6.2% matching contributions from both the District and the employee. Since this plan is intended to be a replacement for social security the plan limits the individual maximum contribution to the social security maximum taxable earnings level each year.

- **Highlands Ranch Metropolitan District 457 Plan** – The plan offers voluntary contribution by the employee. Employees who participate in the 457 plan are eligible for a matching contribution up to 6%. For purposes of the budget, it is assumed that all employees that currently participate in this program will continue to do so in 2022. The matching structure is 100% on the first 3% of employee contributions and 50% on employee contributions greater than 3% up to 6%.
- **FICA (Medicare portion and full coverage)** – All employees hired after 1984 are required to participate in Medicare. The contribution is estimated to continue at 1.45% of salary for those employees who are members of the pension plan. For temporary employees not eligible for participation in the Retirement Plan the full FICA contribution of 7.65% will be made.
- **Life/Disability insurance** – Contributions are estimated to be .14% and .52% of eligible wages respectively.
- **Unemployment taxes** – The District is subject to the governmental uniform unemployment tax. It is anticipated the rate will remain unchanged at .20% of wages.

Based on the above, the 2022 payroll expenses for benefits are estimated to be 34.1% of regular wages compared to the 31.9% in 2021. While the percentage has fluctuated due to changes in the employee mix, the fluctuation is slightly higher from 2021 to 2022 due to higher than normal turnover and request for increase in employer match for the 457 Retirement Plan.

In addition, the District provides **Workers Compensation** insurance. Rates are based on historical claims experience. The impact of a claim remains a part of the base for three years after the claim was incurred.

HIGHLANDS RANCH METROPOLITAN DISTRICT
ALL FUNDS
2020-2022

	GENERAL FUND		SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS		
	OPERATING	STORMWATER				Adpoted 2022	Projected 2021	Actual 2020
REVENUES								
Taxes	\$ 21,896,553	\$ -	\$ -	\$ -	\$ -	\$ 21,896,553	\$ 20,760,746	\$ 20,675,020
Special Revenues								
Water & Wastewater Rate income	-	-	40,483,000	-	-	40,483,000	38,760,000	40,480,618
Stormwater fee	-	915,000	-	-	-	915,000	915,000	893,801
Street light fee	-	-	1,213,000	-	-	1,213,000	1,280,000	1,464,833
Conservation Trust Fund	-	-	500,000	-	-	500,000	571,000	535,673
Program revenues	-	-	1,981,900	-	-	1,981,900	1,568,230	833,523
Development Fees								
System Development Fees	-	-	-	-	450,000	450,000	178,679	1,011,493
Tap Fees	-	-	1,055,125	-	-	1,055,125	2,041,765	3,032,040
Other income								
Inter and intragovernmental	738,000	-	-	-	175,000	913,000	688,000	956,202
Contribution offsetting capital outlay	-	300,000	-	-	14,250	314,250	118,537	160,000
Miscellaneous - one-time	136,000	-	-	-	-	136,000	195,000	214,548
Miscellaneous - on-going	-	-	102,000	-	900,000	1,002,000	966,000	1,016,553
Net Investment Income	31,400	2,600	23,000	-	61,300	118,300	374,579	1,784,896
	<u>22,801,953</u>	<u>1,217,600</u>	<u>45,358,025</u>	<u>-</u>	<u>1,600,550</u>	<u>70,978,128</u>	<u>68,417,536</u>	<u>73,059,200</u>
EXPENDITURES								
Operations	13,674,168	204,520	4,074,346	-	-	17,953,034	16,169,687	15,052,484
General Government	-	-	-	-	-	-	500	300
Water and Wastewater	-	-	40,483,000	-	-	40,483,000	38,760,000	40,480,618
Debt Service	-	-	-	-	-	-	19,535,420	4,025,490
Capital Outlay								
Capital Projects	-	-	540,000	-	20,569,565	21,109,565	11,696,857	6,409,984
Intergovernmental	-	-	295,000	-	-	295,000	-	206,725
Reserved Capacity	-	-	3,336,782	-	-	3,336,782	1,116,004	1,813,004
	<u>13,674,168</u>	<u>204,520</u>	<u>48,729,128</u>	<u>-</u>	<u>20,569,565</u>	<u>83,177,381</u>	<u>87,278,468</u>	<u>67,988,606</u>
Revenue over (under) expenditures	<u>9,127,785</u>	<u>1,013,080</u>	<u>(3,371,103)</u>	<u>-</u>	<u>(18,969,015)</u>	<u>(12,199,253)</u>	<u>(18,860,932)</u>	<u>5,070,594</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers								
Interest income	6,100	-	(6,100)	-	-	-	-	-
General Fund to Stormwater Fund	2,600	(2,600)	-	-	-	-	-	-
General Fund to Special Revenue Fund	(528,707)	-	528,707	-	-	-	-	-
General Fund to Debt Service Fund	-	-	-	-	-	-	-	-
General Fund - Gen Gov Capital	(3,690,000)	-	-	-	3,690,000	-	-	-
General Fund to Major Repair Fund	(2,384,201)	-	-	-	2,384,201	-	-	-
General Fund to Water and Sewer Reserve	(700,000)	-	-	-	700,000	-	-	-
Stormwater Fund to Capital Projects Fund	-	(1,436,000)	-	-	1,436,000	-	-	-
Debt Service Fund to Capital Projects Fund	-	-	-	-	-	-	-	-
	<u>(7,294,208)</u>	<u>(1,438,600)</u>	<u>522,607</u>	<u>-</u>	<u>8,210,201</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES	<u>1,833,577</u>	<u>(425,520)</u>	<u>(2,848,496)</u>	<u>-</u>	<u>(10,758,814)</u>	<u>(12,199,253)</u>	<u>(18,860,932)</u>	<u>5,070,594</u>
FUND BALANCE - BEGINNING	<u>13,216,791</u>	<u>1,046,419</u>	<u>13,681,170</u>	<u>-</u>	<u>32,464,478</u>	<u>60,408,859</u>	<u>79,269,791</u>	<u>74,199,197</u>
FUND BALANCE - ENDING	<u>\$ 15,050,368</u>	<u>\$ 620,899</u>	<u>\$ 10,832,674</u>	<u>\$ -</u>	<u>\$ 21,705,664</u>	<u>\$ 48,209,606</u>	<u>\$ 60,408,859</u>	<u>\$ 79,269,791</u>

Detail for capital projects can be found in the individual sections. Stormwater can be found beginning on page SW1. Special Revenue (CTF) can be found beginning on page CTF1. Capital Projects (General Government, Water & Sewer Reserves, and Major Repair Projects) can be found beginning on page CPI.

HIGHLANDS RANCH METROPOLITAN DISTRICT
COMBINING SPECIAL REVENUE
2020-2022

	UTILITY	RECREATION	MANSION	CTF	TOTALS		
					Budget 2022	Projected 2021	Actual 2020
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenues							
Water & Wastewater Rate income	40,483,000	-	-	-	40,483,000	38,760,000	40,480,618
Street Light	1,213,000	-	-	-	1,213,000	1,280,000	1,464,833
Conservation Trust Fund	-	-	-	500,000	500,000	571,000	535,673
Program revenues	-	1,581,900	400,000	-	1,981,900	1,568,230	833,523
Development Fees							
Tap Fees	1,055,125	-	-	-	1,055,125	2,041,765	3,032,040
Other income							
Contribution offsetting capital outlay	-	-	-	-	-	-	-
Miscellaneous - one time	-	-	-	-	-	-	-
Miscellaneous - on going	-	-	102,000	-	102,000	60,000	31,489
Net Investment Income	6,100	-	10,600	6,300	23,000	46,700	182,354
	<u>42,757,225</u>	<u>1,581,900</u>	<u>512,600</u>	<u>506,300</u>	<u>45,358,025</u>	<u>44,327,695</u>	<u>46,560,530</u>
EXPENDITURES							
Operations	1,265,000	2,167,206	642,140	-	4,074,346	3,621,518	3,223,461
General Government	-	-	-	-	-	-	-
Water and Wastewater	40,483,000	-	-	-	40,483,000	38,760,000	40,480,618
Capital Outlay							
Capital Projects	-	-	-	540,000	540,000	87,901	233,179
Intergovernmental	-	-	-	295,000	295,000	-	206,725
Reserved Capacity	3,336,782	-	-	-	3,336,782	1,116,004	1,813,004
	<u>45,084,782</u>	<u>2,167,206</u>	<u>642,140</u>	<u>835,000</u>	<u>48,729,128</u>	<u>43,585,423</u>	<u>45,956,987</u>
Revenue over (under) expenditures	<u>(2,327,557)</u>	<u>(585,307)</u>	<u>(129,540)</u>	<u>(328,700)</u>	<u>(3,371,104)</u>	<u>742,272</u>	<u>603,543</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers							
Interest income	(6,100)	-	-	-	(6,100)	(18,000)	(13,223)
From (to) General Fund	-	585,307	(56,600)	-	528,707	554,513	786,869
From (to) Debt Service Fund	-	-	-	-	-	-	-
	<u>(6,100)</u>	<u>585,307</u>	<u>(56,600)</u>	<u>-</u>	<u>522,607</u>	<u>536,513</u>	<u>773,646</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES	<u>(2,333,657)</u>	<u>-</u>	<u>(186,140)</u>	<u>(328,700)</u>	<u>(2,848,497)</u>	<u>1,278,785</u>	<u>1,377,189</u>
FUND BALANCE - BEGINNING	7,204,908	-	4,226,179	2,250,083	13,681,170	12,402,385	11,025,196
FUND BALANCE - ENDING	<u>\$ 4,871,251</u>	<u>\$ -</u>	<u>\$ 4,040,039</u>	<u>\$ 1,921,383</u>	<u>\$ 10,832,673</u>	<u>\$ 13,681,170</u>	<u>\$ 12,402,385</u>

HIGHLANDS RANCH METROPOLITAN DISTRICT
COMBINING CAPITAL PROJECTS
2020-2022

	GENERAL GOVERNMENT	WATER & SEWER RESERVES	MAJOR REPAIR PROJECTS	TOTALS		
				Budget 2022	Projected 2021	Actual 2020
REVENUES						
Development Fees						
System Development Fees	\$ 450,000	\$ -	\$ -	\$ 450,000	\$ 178,679	\$ 1,011,493
Other income						
Intergovernmental	175,000	-	-	175,000	-	206,725
Contribution offsetting capital outlay	-	-	14,250	14,250	118,537	160,000
Miscellaneous/Other	-	-	900,000	900,000	906,000	985,064
Net investment income	54,100	-	7,200	61,300	166,800	552,037
	<u>679,100</u>	<u>-</u>	<u>921,450</u>	<u>1,600,550</u>	<u>1,370,016</u>	<u>2,915,319</u>
EXPENDITURES						
Current						
Capital Outlay						
Capital Projects	16,482,496	100,000	3,987,069	20,569,565	11,608,956	6,176,805
	<u>16,482,496</u>	<u>100,000</u>	<u>3,987,069</u>	<u>20,569,565</u>	<u>11,608,956</u>	<u>6,176,805</u>
Revenue over (under) expenditures	<u>(15,803,396)</u>	<u>(100,000)</u>	<u>(3,065,619)</u>	<u>(18,969,015)</u>	<u>(10,238,940)</u>	<u>(3,261,485)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers						
Interest income	-	-	-	-	-	-
General Government Capital Fund to Stormwater Fund	1,436,000	-	-	1,436,000	1,129,790	389,800
General Government Capital Fund to Debt Service Fund	-	-	-	-	(348,723)	-
From / (To) General Fund	3,690,000	-	2,384,201	6,074,201	2,189,343	1,735,820
Major Repair Fund to Special Revenue Fund	-	-	-	-	-	-
Major Repair Fund to General Government Capital Fund	-	-	-	-	-	-
Water and Sewer Reserve Fund to General Fund	-	700,000	-	700,000	700,000	694,548
	<u>5,126,000</u>	<u>700,000</u>	<u>2,384,201</u>	<u>8,210,201</u>	<u>3,670,410</u>	<u>2,820,168</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES	(10,677,396)	600,000	(681,418)	(10,758,814)	(6,568,531)	(441,317)
FUND BALANCE - BEGINNING	27,021,600	1,039,219	4,403,659	32,464,478	39,033,006	39,474,325
FUND BALANCE - ENDING	<u>\$ 16,344,204</u>	<u>\$ 1,639,219</u>	<u>\$ 3,722,241</u>	<u>\$ 21,705,664</u>	<u>\$ 32,464,476</u>	<u>\$ 39,033,008</u>

HIGHLANDS RANCH METROPOLITAN DISTRICT
CALCULATION OF TAX REVENUE
2020-2022

	2020	2021	2022
ASSESSED VALUATION			
Total Assessed Valuation	\$ 1,725,882,160	\$ 1,733,778,940	\$ 1,843,672,700
GENERAL FUND			
Mill levy			
Metro	8.905 \$ 15,368,981	9.055 \$ 15,699,368	11.205 \$ 20,658,353
Abatements and Refunds	(30,702)	(141,294)	(185,925)
Less Treasurer Fees	(230,063)	(235,491)	(309,875)
	<u>8.905</u> 15,108,216	<u>9.055</u> \$15,322,583	<u>11.205</u> 20,162,552
Plus:			
Specific Ownership Tax	1,668,095	1,800,000	1,734,000
	<u>\$ 16,776,311</u>	<u>\$ 17,122,584</u>	<u>\$ 21,896,553</u>
DEBT SERVICE FUND			
Mill Levy			
General Government	2.605 \$ 4,495,923	2.150 \$ 3,727,625	0.000 \$ -
Water and Sanitation	0.000	0.000	0.000
Abatements and Refunds	(537,794)	(33,549)	-
less Treasurer Fees	(59,420)	(55,914)	-
	<u>2.605</u> 3,898,709	<u>2.150</u> \$ 3,638,162	<u>0.000</u> \$ -
TOTAL TAX REVENUES	<u>\$ 20,675,020</u>	<u>\$ 20,760,746</u>	<u>\$ 21,896,553</u>

GENERAL FUND

The General Fund is used to account for the revenues and expenditures necessary for the Highlands Ranch Metropolitan District to provide park and parkway operation and maintenance, public works and general government services to the Highlands Ranch community including the necessary personnel, materials and supplies, contracted services, utilities, repairs and maintenance, etc.

PRIMARY REVENUE SOURCES

- Property taxes based on a mill levy established and certified for the General Fund
- 100% of the Specific Ownership Tax which is calculated as a percentage of total property taxes (General Fund and Debt Service Fund)
- Other revenues which include:
 - Payments from Centennial Water and Sanitation District (“Centennial”). Centennial and the District share in the cost of wages and other overhead costs based on an overhead sharing agreement between Centennial and the Metro District for the following: general management including human resources and community relations, public works and the director position for finance and administration.
 - Capitalization of staff labor reimbursed from other funds.
- Earnings on the General Fund investments.

EXPENDITURES BUDGET PROCESS

Historically the operations budget is prepared using a “formalized methodology”. This methodology was intended to be used three out of every four years with every fourth year a “zero-based” budget prepared to “reset” the results of the budget prepared under the formalized methodology used in the prior three years.

The General Fund operation and maintenance functions will continue to be zero based every four years, on the following 4-year rotating cycle:

- Parks Maintenance, Parkway Maintenance – 2022
- General Government, Public Works, Finance – 2023
- Open Space, Forestry, Fleet – 2024
- Parks and Open Space Management & Administration, Planning, Facilities Management – 2025
- Vehicles & equipment needs will continue to be evaluated annually

In 2017, the District implemented Priority Based Budgeting (PBB). PBB is a process that will help the District develop a strategic budget that both reflects the community’s values and ensures that residents will continue to receive a high level of District services. The result areas identified as priorities by the board are:

- Well planned and maintained facilities and infrastructure
- Safe and prepared community
- Cultural and recreational opportunities for all ages
- Attractive and healthy place to live
- Strong Governance

The appendix provides further definition of the above result areas.

The Board continues to hold workshops to review long and short-term goals, assess current and future needs of the District, and to review TABOR calculations.

The following process is then followed:

1. Staff prepares a proposed budget in keeping with the priorities expressed by the Board.
2. Once the proposed budget is available to the public, workshops are held for the Board where staff presents the budget in detail. The process allows the Board to focus on those areas that they feel additional discussion is warranted.
3. Based on input from these workshops, staff incorporates any desired changes and provides updated summaries for the public hearing held at the regular Board meeting for November.

EXPENDITURES BY COST CENTER

The General Fund Budget accounts for expenditures in various cost centers classified by the type of service or activity provided.

The cost center activities associated with the Budget include:

Parks and Open Space

Planning & Administration:

- overall management of parks and open space
- management of park construction activity
- implementation of the long-term park master plan
- local and regional partnerships to provide outdoor recreation opportunities

Park Maintenance:

- management of the park operations activity management
- maintenance and irrigation of county right-of-way and District tracts or landscape easements adjacent to arterial roadways
- maintenance of parks including playgrounds, restrooms, field preparation and trails.

Note: The District imposes fees for use/rental of some facilities located within the parks such as the pavilions and the fields. In addition, facility maintenance functions are included and provide for maintenance and other costs of operating both owned and leased facilities used for storage and maintenance of equipment; and staining of fences on District property adjacent to the arterial landscape.

Open Space Maintenance:

- mowing and other maintenance of the open space owned by the District (including storm drainage facilities within the open space area)
- maintenance of trails located in open-space.

Fleet Maintenance:

- maintenance of all on-road vehicles
- maintenance of equipment used in all operations.

Public Works

Administration:

- central direction, coordination, contract administration and supervision of the various engineering activities and contract administration for the Metro District's operations.

Engineering:

- administration and facilitation of the design and construction of the facilities by the District and Centennial as identified in the respective facilities plans of the organizations.
- plan review and inspection of the in-tract water and sewer facilities that are required to be installed by the developer. The Districts impose plan review fees on all new development to help defray the cost of a portion of these services.

GIS:

- support the activities of the District and its citizens by providing and maintaining accurate, current and complete geospatial data. This support will be provided through leveraging the knowledge contained in this information by using a set of procedures and techniques collectively referred to as a Geographic Information System. Using the Geographic Information System (GIS), the staff will enable the Board of Directors and managers to make decisions impacting the future of the District in an informed and logical manner.

General Government

Office of the Manager:

- management implementation of policies set by the Board of Directors
- management of the overall operation of the District
- advice to the Board of Directors on administrative matters and policy issues.

Community Relations:

- the undertaking of special events that the Board has determined are of a benefit to the community
- distribution of information about each district, and other public information materials
- assistance to Centennial concerning the provision of water and wastewater services.

Human Resources and Safety & Training:

- centralized recruitment, selection and services to all departments
- maintenance of personnel files
- classifications and compensation system for both District and Centennial employees
- coordination of employee benefit programs
- safety and training for safety education; safety procedures compliance; provision of safety equipment
- coordination of training, in-house training, and organizational development.

Finance and Administration

Financial Services:

- Business Operations maintains a centralized accounting system for both the District and Centennial, including accounts receivable, accounts payable and payroll; preparation of financial reports and budgets; coordination of purchasing activities; and the coordination of the independent audits of each of the Districts.
- Revenue and Asset Management directs the third-party investment portfolio manager and obtaining and reviewing the risk management programs of each of the Districts.
- Financial Planning manages the outstanding debt, prepares the annual budget and supplemental appropriations, researches and analyzes various programs, and prepares the long-range financial forecasts.

Information Systems:

- Manages and develops information and communications systems.

Office Services:

- reception and clerical activities supporting all departments; and centralized purchasing of office supplies.

Insurance:

- Accounts for the cost of insurance premiums for District property and general liability policies.

EXPENDITURES BY OBJECT

The General Fund Budget accounts for the general government expenditures in five (5) main cost centers: public safety, park and open space operations, public works, general government and miscellaneous capital. The expenditures can also be allocated based on a classification by major object of expenditure. The following table summarizes the budget by the main object of expenditure categories.

By Object	2021	2022	INCREASE/ (DECREASE)	
	Budget	Budget	%	\$
Personnel Services	\$ 6,981,117	\$ 7,398,926	6.0%	\$ 417,809
Materials and supplies	876,515	762,860	-13.0%	(113,655)
Purchased services	1,473,754	1,879,759	27.5%	406,005
Contracted Services	1,503,143	1,557,800	3.6%	54,657
Fuel and chemical products	182,800	184,000	0.7%	1,200
Utilities	1,699,615	1,746,165	2.7%	46,550
Miscellaneous capital/leases	44,470	144,658	225.3%	100,188
TOTAL	\$ 12,761,414	\$ 13,674,168	7.2%	\$ 912,754

Following is a description for the major object classifications:

Personnel

Personnel includes expenditures directly related to employees such as wages, benefits, temporary wages, training, uniforms, and overtime.

Contracted Services

Contracted services include expenditures for board approved contracts for general government operations including building rental, legal services, audit, and insurance.

Materials and Supplies

Accounts for all expenditures relating to supplies purchased by the District including playground supplies, tree replacement, repair parts, safety equipment, and operating supplies.

Purchased Services

Purchased services includes a wide variety of services acquired by the District in the normal course of business including printing and copying, memberships, equipment rental, repair services, licenses, postage, and conferences.

Contracted Maintenance

Contracted Maintenance refers to maintenance contracts and professional services agreements entered into by the District to perform such services as parkway mowing, open space mowing, and engineering studies. Parkway mowing and open space mowing are bid every other year to ensure competitive pricing.

Fuel and Chemical Products

Fuel and Chemical Products include the purchase of fuel for the District's fleet and chemicals and fertilizers used in the maintenance of District parks, parkways, and open space.

Utilities

Utilities include payments for electricity, water and sewer, and natural gas. The biggest component is water for parks and parkways.

Miscellaneous Capital

Miscellaneous capital includes the purchase and lease payments associated with the acquisition of a variety of new equipment types including vehicles, field equipment and office equipment. Once a part of the fleet/inventory, the equipment replacement is scheduled through Major Repair.

EXPENDITURE AUTHORIZATION

The expenditure portion of the General Fund Budget is broken down both by functional activity (cost center) and by type or major object of expenditure:

- There are five functional cost centers or departments: Parks and Open Space Operations; Public Works; General Government; Finance & Administration; and Miscellaneous Capital. Each of these cost centers has several specific activities associated with them.
- There are eight broad expenditure types or object of expenditure categories: Personnel, Contract Services, Materials and Supplies, Fuel and Chemical Products, Purchased Services, Contract Maintenance, Utilities, and Miscellaneous Capital.

Specific Authority granted with the adoption of the Budget

Budget Authority by Cost Center

Budgetary authority can be transferred as follows:

- Transfers between cost centers or departments require the approval of the General Manager.
- Transfers between activities within a cost center require the approval of the Department Head.

*These transfers are limited by the budget authority related to object of expenditures detailed below.

Budget Authority by Object of Expenditure

Transfers of unexpended budget by Object of Expenditures are limited as follows:

- Budgetary approval for expenditures for Personnel and Miscellaneous Capital are specifically granted within the budget document. Unexpended funds allocated to these two categories cannot be transferred to other object categories without Board approval.
- Each functional cost center has the latitude to control the aggregate funding from the remaining object categories with the following exceptions:
 - i. The General Manager can authorize transferring of funds from one of the remaining categories unless restricted to item ii, Personnel, or Miscellaneous Capital, but only to the extent that additional funding is required for specifically identified positions or capital items within the adopted budget.
 - ii. Unexpended budget for Water, which is included under Utilities, can only be transferred with the approval of the General Manager for the purchase of other materials and services which directly improve the efficiency of water use.

LEASE/PURCHASE FINANCING

The District, when economically viable based on rate and matching of expenses with revenue streams, utilizes municipal lease/purchase agreements to fund portions of the Miscellaneous Capital Budget. Municipal lease/purchase agreements do not constitute a general obligation of the District as these agreements must include a non-appropriation clause if annual appropriations are not approved.

Various pieces of equipment and vehicles have been financed through lease/purchase agreements and when purchased using this method, the budget appropriates funds for the payment of existing lease/purchase agreements. The budget does not anticipate a new lease/purchase agreement to be entered into during 2022 for the financing of additional miscellaneous capital.

In the normal course of administrative operations, the District enters into multi-year lease agreements for printers, copiers and other office equipment. Below is a schedule of annual lease payments included in the 2021 and 2022 budget. Some agreements have additional charges for overages on copies and therefore the amounts shown below may be variable. An estimated amount is included in the budget for these overages but not shown in the schedule below.

Vendor	Equipment	2022 Appropriations
Toshiba	Toshiba Copier	42,000
Pitney Bowes	Postage Machine	-
All Copy	Toshiba Copier	7,800
Total		<u>\$ 49,800</u>

The District will not opt to avoid appropriation on existing agreements as long as the equipment and service is consistent with what was and still is required.

If a lease shows no 2022 payments, it is due to either a recommended termination as of December 31, 2021 or expiration of the lease agreement.

Many times, a lease is scheduled to terminate during the course of the business year. Under that circumstance a new lease will be bid consistent with District purchasing policy if the equipment still meets the requirements and needs of the District.

Although District staff has attempted to summarize all of the multi-year leases it is possible that there are others that do exist. In that case the lease will terminate at the original termination date and be subject to a new lease agreement as described above.

HIGHLANDS RANCH METROPOLITAN DISTRICT
GENERAL FUND
2020-2022

	Actual 2020	Budget 2021	Projected 2021	Budget 2022
<i>REVENUES</i>				
Taxes <i>(see detail)</i>	\$ 16,776,311	\$ 16,842,584	\$ 17,122,584	\$ 21,896,553
Inter/Intra-governmental	749,477	688,000	688,000	738,000
Miscellaneous	214,548	122,000	195,000	136,000
Net Investment Income	936,703	62,100	85,000	31,400
TOTAL REVENUES	18,677,039	17,714,684	18,090,584	22,801,953
<i>EXPENDITURES</i>				
Operations Budget	11,250,080	12,761,414	12,335,599	13,674,168
TOTAL EXPENDITURES	11,250,080	12,761,414	12,335,599	13,674,168
Revenue over (under) expenditures	7,426,959	4,953,270	5,754,985	9,127,785
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
Net investment income	13,223	22,700	31,079	8,700
From (to) Recreation Fund	(786,869)	(590,760)	(597,813)	(585,307)
From (to) Mansion Special Revenue Fund	-	51,800	43,300	56,600
From (to) Debt Service Fund	-	(10,000,000)	(10,000,000)	-
From (to) Stormwater Fund	-	-	-	-
From (to) Water and Sewer Reserve	(694,548)	(700,000)	(700,000)	(700,000)
From (to) General Government Capital Fund	-	-	-	(3,690,000)
From (to) Major Repair Fund	(1,735,820)	(2,189,343)	(2,189,343)	(2,384,201)
Lease proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,204,014)	(13,405,603)	(13,412,777)	(7,294,208)
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	4,222,944	(8,452,333)	(7,657,792)	1,833,577
<i>FUND BALANCE - BEGINNING</i>	16,651,639	18,920,661	20,874,583	13,216,791
FUND BALANCE - ENDING	\$ 20,874,583	\$ 10,468,328	\$ 13,216,791	\$ 15,050,368
Reserved for Debt	-	-	-	-
FUND BALANCE - Available	\$ 20,874,583	\$ 10,468,328	\$ 13,216,791	\$ 15,050,368

HIGHLANDS RANCH METRO DISTRICT
BY ACTIVITY

	2020 ACTUAL	2021 BUDGET	2021 REVISED	BASE	REQUESTS		2022 BUDGET
					ONE-TIME	ON-GOING	
PARKS AND OPEN SPACE							
705 Park Planning & Admin	725,831	1,016,135	921,635	1,072,100	143,629	-	1,215,729
712 Park Maintenance	5,873,219	6,293,225	6,061,785	6,324,265	65,400	5,000	6,394,665
719 Open Space Maint.	980,900	1,064,447	1,083,947	1,126,345	115,104	46,416	1,287,865
793 Fleet Maintenance	528,849	635,490	628,490	694,440	-	-	694,440
Total Parks/Open Space	8,108,799	9,009,297	8,695,857	9,217,150	324,133	51,416	9,592,699
PUBLIC WORKS							
801 Administration	495,220	543,201	485,201	508,215	-	-	508,215
880 Engineering	285,512	357,076	331,801	362,250	-	-	362,250
615 Street Lighting	12,380	10,000	10,000	10,000	-	-	10,000
Total Public Works	793,112	910,277	827,002	880,465	-	-	880,465
GENERAL GOVERNMENT							
900 Board of Directors	148,118	93,490	93,490	98,865	-	14,800	113,665
905 Community Relations	373,203	461,025	441,925	494,765	5,000	-	499,765
910 Office of the Manager	469,878	397,355	392,355	410,405	-	-	410,405
920 Human Resources	418,111	428,295	423,295	455,560	104,000	120,000	679,560
Total General Govt	1,409,310	1,380,165	1,351,065	1,459,595	109,000	134,800	1,703,395
FINANCE AND ADMINISTRATION							
930 Financial Services	678,294	713,115	713,115	726,225	-	-	726,225
950 Information Systems	197,353	211,000	211,000	225,000	-	-	225,000
970 Office Services	295,620	328,090	328,090	301,430	-	-	301,430
980 Insurance	125,538	165,000	165,000	175,000	-	-	175,000
Total Finance & Admin	1,296,805	1,417,205	1,417,205	1,427,655	-	-	1,427,655
MISC. CAPITAL							
6xx Public Safety	-	-	-	-	-	-	-
7xx Park Operations	31,852	44,470	44,470	-	69,954	-	69,954
8xx Public Works	-	-	-	-	-	-	-
9xx General Government	-	-	-	-	-	-	-
xxx Lease payments	-	-	-	-	-	-	-
Total Misc. Capital	31,852	44,470	44,470	-	69,954	-	69,954
GROSS GENERAL FUND BUDGET	\$ 11,639,878	\$ 12,761,414	\$ 12,335,599	\$ 12,984,865	\$ 503,087	\$ 186,216	\$ 13,674,168

HIGHLANDS RANCH METRO DISTRICT
BY OBJECT

	2020 ACTUAL	2021 BUDGET	2021 REVISED	BASE	ONE TIME	ON GOING	2022 BUDGET
BOARD DIRECTED BUDGET							
Personnel Services							
111 Regular Wages	4,550,504	4,658,520	4,513,520	4,736,100	104,000	62,916	4,903,016
113 Temporary Wages	76,356	210,440	54,500	215,140	-	(12,500)	202,640
12* Overtime Wages	10,428	18,817	18,817	16,920	-	-	16,920
13* Payroll Expense	1,459,573	1,558,000	1,435,900	1,629,000	-	120,000	1,749,000
182 Training	14,993	66,935	63,435	62,315	-	-	62,315
184 Uniforms	26,290	33,605	33,605	15,360	-	-	15,360
191 Board of Director Fees	4,200	16,800	16,800	16,800	-	-	16,800
195 Admin Contract	402,805	418,000	418,000	432,875	-	-	432,875
Total Personnel Services	6,545,149	6,981,117	6,554,577	7,124,510	104,000	170,416	7,398,926
Contracted Services							
351 Building Rental	181,100	191,100	191,100	168,900	-	-	168,900
352 Legal Services	44,181	34,000	34,000	32,000	-	-	32,000
354 Audit Services	26,500	28,000	28,000	29,000	-	-	29,000
362 Fire Protection Contract	-	-	-	-	-	-	-
368 Insurance	125,538	165,000	165,000	175,000	-	-	175,000
Total Contracted Services	377,319	418,100	418,100	404,900	-	-	404,900
Miscellaneous Capital							
941 Office Equipment	-	-	-	-	-	-	-
942 Transportation Equipment	966	38,380	38,380	-	74,704	-	74,704
943 Field Equipment	30,886	6,090	6,090	-	69,954	-	69,954
944 Shop and Garage Equipment	-	-	-	-	-	-	-
946 Engineering Equipment	-	-	-	-	-	-	-
947 Communication Equipment	-	-	-	-	-	-	-
948 Computer Equipment	-	-	-	-	-	-	-
949 Other Equipment	-	-	-	-	-	-	-
950 Major Repairs	-	-	-	-	-	-	-
Lease Payments	-	-	-	-	-	-	-
Total Miscellaneous Capital	31,852	44,470	44,470	-	144,658	-	144,658
TOTAL BOARD DIRECTED COST	6,954,320	7,443,687	7,017,147	7,529,410	248,658	170,416	7,948,484
DEPT. DIRECTED NONVARIABLE							
Materials and Supplies							
219 Office Supplies	3,691	8,500	8,500	8,500	-	-	8,500
220 Meeting Supplies	6,598	14,325	13,825	15,625	-	-	15,625
222 Empl Relations	23,397	19,450	19,450	19,485	-	-	19,485
224 Playground Supplies	27,793	47,000	47,000	47,000	-	-	47,000
226 Safety Supplies	78,480	61,300	61,300	62,000	-	-	62,000
227 Janitorial Supplies	14,389	20,500	20,500	21,500	-	-	21,500
229 Operating Supplies	145,996	223,310	223,310	212,050	-	-	212,050
230 Computer Equip/Supplies	-	-	-	-	-	-	-
243 Tree Replacement	67,161	80,000	80,000	80,000	2,100	-	82,100
244 Repair Parts	276,571	377,130	377,130	262,000	-	-	262,000
246 Tires, Tubes, Etc	15,514	25,000	25,000	32,600	-	-	32,600
Total Material and Supplies	659,590	876,515	876,015	760,760	2,100	-	762,860
Purchased Services							
301 Bank Charges	31,828	42,000	42,000	42,000	-	-	42,000
311 Postage	14,102	14,275	14,275	25,275	-	-	25,275
313 Licenses	1,425	1,800	1,800	2,500	-	-	2,500
319 Communication Svc	99,122	75,780	75,410	97,080	-	-	97,080
325 Legal Notice/Advertise	7,655	10,330	10,330	10,280	-	-	10,280
326 Personnel Advertising	-	100	100	-	-	-	-
329 Print & Copy	24,341	57,160	57,160	51,960	-	-	51,960
331 Memberships	11,340	14,969	15,089	27,150	-	-	27,150
335 Publications	2,855	1,300	1,300	1,100	-	-	1,100
342 Computer Rental	27,399	-	-	900	-	-	900
343 Equipment Rental	22,874	37,400	37,400	41,200	-	-	41,200
344 Repair Services	408,273	509,500	509,500	520,700	46,500	-	567,200
346 Contract Temp	-	-	-	-	-	-	-
347 Janitorial Service	16,272	23,000	23,000	35,000	-	-	35,000
349 Landfill Services	36,709	45,000	45,000	46,000	-	-	46,000
369 Misc O/Services	428,562	636,495	637,970	703,065	205,829	15,800	924,694
371 Auto Reimb	1,415	4,645	4,645	4,120	-	-	4,120
372 Conferences	1,074	-	-	3,300	-	-	3,300
Total Purchased Services	1,135,246	1,473,754	1,474,979	1,611,630	252,329	15,800	1,879,759

HIGHLANDS RANCH METRO DISTRICT
BY OBJECT

	2020 ACTUAL	2021 BUDGET	2021 REVISED	BASE	ONE TIME	ON GOING	2022 BUDGET
Contracted Services							
348 Contract Maintenance	941,796	986,143	986,143	1,078,400	-	-	1,078,400
355 Prof Services	56,864	98,900	98,900	74,500	-	-	74,500
Total Contracted Services	998,660	1,085,043	1,085,043	1,152,900	-	-	1,152,900
TOTAL DEPT. DIRECTED NONVARIABLE	2,793,496	3,435,312	3,436,037	3,525,290	254,429	15,800	3,795,519
DEPT DIRECTED VARIABLE							
Fuel and Chemical Services							
260 Chemicals/Fertilizers	53,411	82,800	82,800	84,000	-	-	84,000
271 Gas/Fuel Products	68,664	100,000	100,000	100,000	-	-	100,000
Total Fuel and Chemical Services	122,075	182,800	182,800	184,000	-	-	184,000
Utilities							
391 Electricity and Power	115,526	146,750	146,750	125,000	-	-	125,000
392 Water/Sewer	1,648,745	1,542,000	1,542,000	1,608,500	-	-	1,608,500
394 Natural Gas	5,718	10,865	10,865	12,665	-	-	12,665
Total Utilities	1,769,989	1,699,615	1,699,615	1,746,165	-	-	1,746,165
TOTAL DEPT DIRECTED VARIABLE	1,892,064	1,882,415	1,882,415	1,930,165	-	-	1,930,165
TOTAL DEPARTMENTS	11,639,880	12,761,414	12,335,599	12,984,865	503,087	186,216	13,674,168

HIGHLANDS RANCH METROPOLITAN DISTRICT
SCHEDULE OF APPROVED POSITIONS - REGULAR POSITIONS

REGULAR POSITIONS (FTE)	2020 Budget	2020 Actual	2021 Budget	Change 2020 Budget to 2021 Budget	2021 Budget adj. for Sch. III Shared Emp.
<i>PARKS, RECREATION and OPEN SPACE and CULTURAL</i>					
Parks & Open Space Planning & Admin.					
Director, Parks & Open Space	1.000	1.000	1.000	-	1.000
Administrative Assistant	1.000	1.000	1.000	-	1.000
Park Operations Secretary	1.000	1.000	1.000	-	1.000
Receptionist	1.000	1.000	1.000	-	1.000
Park Planning Manager	** 1.000	1.000	1.000	-	1.000
Park Project Coordinator	** 1.000	1.000	1.000	-	1.000
Recreation Services / Programs					
Recreation Manager	1.000	1.000	1.000	-	1.000
Recreation Supervisor	1.000	1.000	1.000	-	1.000
Recreation Coordinator	2.000	2.000	2.000	-	2.000
Assistant (Recreation Services)	1.000	1.000	1.000	-	1.000
Reservation Specialist	1.000	1.000	1.000	-	1.000
Sports Fields Supervisor	1.000	1.000	1.000	-	1.000
Park Technicians - Sports Fields	7.000	7.000	7.000	-	7.000
Senior Services Coordinator	1.000	1.000	1.000	-	1.000
Park Operations					
Park Operations Manager	1.000	1.000	1.000	-	1.000
Irrigation Supervisor	1.000	1.000	1.000	-	1.000
Park Technicians - Irrigation	8.000	8.000	8.000	-	8.000
Forestry Supervisor	1.000	1.000	1.000	-	1.000
Park Technicians - Forestry	4.000	4.000	4.000	-	4.000
Park Maintenance Supervisor	1.000	1.000	1.000	-	1.000
Park Technicians	9.000	9.000	9.000	-	9.000
Facilities Coordinator	1.000	1.000	1.000	-	1.000
Facilities Technicians	5.000	5.000	5.000	-	5.000
Open Space Operations					
Open Space Operations Manager	1.000	1.000	1.000	-	1.000
Open Space Coordinator	1.000	1.000	1.000	-	1.000
Open Space Technicians	4.000	4.000	4.000	-	4.000
Park Ranger	4.000	4.000	4.000	-	4.000
Fleet Maintenance					
Fleet Supervisor	1.000	1.000	1.000	-	1.000
Fleet Technician	3.000	3.000	3.000	-	3.000
Mansion					
Mansion Manager	* 1.000	1.000	1.000	-	1.000
Mansion Operations Coordinator	1.400	1.400	1.400	-	1.400
Mansion Sales and Service	* 1.000	1.000	1.000	-	1.000
Mansion Administrative Assistant	1.000	1.000	1.000	-	1.000

REGULAR POSITIONS (FTE)		2020 Budget	2020 Actual	2021 Budget	Change 2020 Budget to 2021 Budget	2021 Budget adj. for Sch. III Shared Emp.
PUBLIC WORKS						
Administration						
Director - Engineering	*	1.000	1.000	1.000	-	0.500
Administrative Assistant	*	1.000	1.000	1.000	-	0.500
Contract Administrator	*	1.000	1.000	1.000	-	0.500
Clerk	*	1.000	1.000	1.000	-	0.400
Engineering						
Development Eng. Mgr.	**	1.000	1.000	1.000	-	1.000
Project Engineer	**	1.000	1.000	1.000	-	1.000
GIS Technician	***	-	-	-	-	0.400
GENERAL MANAGEMENT						
Office of the Manager						
General Manager		1.000	1.000	1.000	-	1.000
Administrative Assistant		1.000	1.000	1.000	-	1.000
Community Relations						
Community Relations Mgr.	*	1.000	1.000	1.000	-	1.000
Community Relations Coord.	*	2.000	2.000	2.000	-	2.000
Human Resources						
Human Resource Manager	*	1.000	1.000	1.000	-	0.500
Human Resources Assistant	*	1.000	1.000	1.000	-	0.500
Administrative Assistants		0.800	0.800	0.800	-	0.400
Financial Services						
Director - Finance & Admin.	*	1.000	1.000	1.000	-	0.500
Accounting Manager	***				-	0.500
Accounting Assistants	***				-	2.000
Revenue and Assets Manager	***				-	0.400
Financial Reporting Analyst	***				-	0.500
Administrative Assistant	***	-	-	-	-	0.500
OFFICE SUPPORT						
Office Services						
Office Assistant	***	-	-	-	-	0.500
Receptionist	*	1.000	1.000	1.000	-	0.500
		<u>86.200</u>	<u>86.200</u>	<u>86.200</u>	<u>-</u>	<u>86.500</u>
TEMPORARIES - ALL GROUPS						
Recreation Services / Programs		6.100	6.100	6.100	-	6.100
Irrigation		0.749	0.749	0.749	-	0.749
Forestry		1.000	1.000	1.000	-	1.000
Park Mnt		1.700	1.700	1.700	-	1.700
Facilities		0.600	0.600	0.600	-	0.600
Open Space		0.400	0.400	0.400	-	0.400
Engineering		0.500	0.500	0.500	-	0.500
		<u>97.249</u>	<u>97.249</u>	<u>97.249</u>	<u>-</u>	<u>97.549</u>

- * Employee cost partially allocated to Centennial Water & Sanitation District pursuant to Employee, Office Svc.'s and Cap. Equip. Sharing Contract ("Schedule III" employees)
- ** Majority of employee cost is capitalized
- *** Employee cost partially allocated from Centennial Water & Sanitation District pursuant to Employee, Office Svc.'s and Cap. Equip. Sharing Contract ("Schedule III" employees)

STORMWATER MANAGEMENT FUND

Established in 2011, the Fund accounts for the receipt of the following source of funds for the purpose of meeting the District's obligation in complying with federal and state regulations for municipal stormwater systems and to protect our open space areas consistent with these regulations:

- a fee charged to all Highlands Ranch properties
- a partnership with Mile High flood District (formerly Urban Drainage Flood Control District) on funding capital and maintenance projects
- contributions from other entities benefitted by the programs.

Prior to the establishment of the fund expenditures were recorded as follows:

- Those related to permit compliance were shown as part of the General Fund
- Capital outlay and offsetting contributions from partners were recorded in the Capital Projects Fund.

The funds collected are used to pay District expenses associated with the following activities:

Maintenance

Maintenance of our open space channels including but not limited to spraying for noxious weeds, trail line mowing, and water quality detention ponds.

Capital Improvement Projects

Channel Stabilization projects as detailed in the District's Facilities Plan.

Any other transfer of funds from the Special Revenue Fund to another fund requires action by the Board of Directors. Such transfers are used when there are economic advantages to the District.

2022 Stormwater Management Fund Capital Improvement Projects

- Big Dry Creek Gulch:
 - Links Golf Course Cresthill to golf cart bridge (BDW 1.0d)
- Trail Crossings:
 - West Fork Trail Crossing Removal and Replacement
- Dad Clark Gulch:
 - Tresana Clubhouse to Highlands Ranch Parkway (DC 3.0)

HIGHLANDS RANCH METROPOLITAN DISTRICT
STORMWATER MANAGEMENT FUND
2020-2022

	Actual 2020	Budget 2021	Projected 2021	Budget 2022
<i>REVENUES</i>				
Special Revenues				
Rate Income	\$ 893,801	\$ 898,000	\$ 915,000	\$ 915,000
Contribution Offsetting Capital Outlay	-	500,000	-	300,000
Net Investment Income	27,348	4,900	13,079	2,600
<i>TOTAL REVENUES</i>	<u>921,150</u>	<u>1,402,900</u>	<u>928,079</u>	<u>1,217,600</u>
<i>EXPENDITURES</i>				
Operations Budget	578,943	178,000	212,570	204,520
Operations Request	-	-	-	-
Capital Outlay	-	-	-	-
<i>TOTAL EXPENDITURES</i>	<u>578,943</u>	<u>178,000</u>	<u>212,570</u>	<u>204,520</u>
Revenue over (under) expenditures	<u>342,207</u>	<u>1,224,900</u>	<u>715,509</u>	<u>1,013,080</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Net investment income	-	(4,900)	(13,079)	(2,600)
From (to) General Fund	(27,348)	-	-	-
From (to) General Government Capital Fund	(389,800)	(1,320,000)	(1,129,790)	(1,436,000)
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>(417,148)</u>	<u>(1,324,900)</u>	<u>(1,142,869)</u>	<u>(1,438,600)</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	(74,942)	(100,000)	(427,360)	(425,520)
<i>FUND BALANCE - BEGINNING</i>	1,548,721	983,524	1,473,779	1,046,419
<i>FUND BALANCE - ENDING</i>	<u>\$ 1,473,779</u>	<u>\$ 883,524</u>	<u>\$ 1,046,419</u>	<u>\$ 620,899</u>

HIGHLANDS RANCH METRO DISTRICT
STORMWATER MANAGEMENT FUND

	2021				2022		2023		2024		Remaining Future
	Budget	9/30/2021 Actual	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	
SPRING GULCH											
S2.0b HR Pkwy to Spring Gulch Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,000
S2.1W Park to Foothills easement (west)	-	-	-	-	-	-	-	-	-	-	189,500
S2.1E Park to Foothills easement (east)	-	-	-	-	-	-	-	-	-	-	365,750
S3.0 Foothills to Stone Mountain Drive	-	-	-	-	-	-	-	-	-	-	282,500
S3.1 Stone Mountain to Weathersfield Way (west)	-	-	-	-	-	-	-	-	-	-	104,000
S3.1E Stone Mountain to Weathersfield Way (east)	-	-	-	-	-	-	-	-	-	-	435,000
DAD CLARK GULCH											
DC 0.5 North of Highline Canal	-	-	-	-	-	-	-	-	-	-	180,000
DC 1.0a Broadway to Foothills easement	-	-	-	-	-	-	-	-	-	-	1,834,500
DC 1.0c/d Broadway to Foothills easement	-	-	-	-	-	-	-	-	-	-	979,000
DC 1.1a Northridge to Foothills easement	-	-	-	-	-	-	-	-	-	-	342,000
Reach DC 2.0	-	-	-	-	-	-	-	-	-	-	-
Foothills to Venneford DC 2.0 lower reach	-	-	-	-	-	-	-	-	-	-	430,000
Foothills to Venneford DC 2.0 middle reach	-	-	-	-	-	-	-	-	-	-	-
Foothills to Venneford DC 2.0 upper reach	-	-	-	-	-	-	-	-	-	-	378,000
DC 3.0 Venneford to HR Parkway	-	-	-	-	-	-	-	-	-	-	-
Venneford to Toepfer Park Bridge	-	-	-	-	-	-	-	-	-	-	600,000
Toepfer to Tresana Clubhouse	-	-	-	-	-	-	-	-	-	-	1,000,000
Clubhouse to HRP	-	-	-	-	200,000	-	-	-	2,000,000	(1,100,000)	-
DC 4.0 HR Parkway to Summit View	-	-	-	-	-	-	-	-	-	-	1,375,000
Upper Dad Clark - Summit to Wildcat Middle Trib. (DC 5.0M)	-	-	-	-	-	-	-	-	-	-	-
Upper Dad Clark - Summit View to Wildcat West Trib DC5.0W	-	-	-	-	-	-	100,000	-	600,000	\$ (300,000)	-
DC 5.0E Summit View to Wildcat East Trib.	-	-	-	-	-	-	-	-	-	-	710,000
DC 6.0W Wildcat to OSCA Boundary (west trib)	-	-	-	-	-	-	-	-	-	-	250,000
DCM 1.0 Foothills Easement to HR Pkwy	-	-	-	-	-	-	-	-	-	-	1,375,000
DCM2.0a HR Pkwy to Historic Park	-	-	-	-	-	-	-	-	-	-	45,000
DCM 3.0 HR Pkwy to Venneford	-	-	-	-	-	-	-	-	-	-	260,000
DCM 4.0 Venneford to Summit View	-	-	-	-	-	-	-	-	-	-	125,000
Reach DCW 4.0 Foothills to Salford	-	-	-	-	-	-	-	-	-	-	-
DCM 3.0W/4.0W Mansion Historic Park	-	-	-	-	-	-	-	-	-	-	245,000
Future Historic Park Drainage DCM5.0W	-	-	-	-	-	-	-	-	-	-	346,500
DCW 1.0a/b Plaza to HR Pkwy	-	-	-	-	-	-	-	-	-	-	750,000
DCW 2.0a Broadway to Autum Ash	-	-	-	-	-	-	-	-	-	-	35,000
DCW2.0Eb Broadway to Foothills easement	-	-	-	-	-	-	-	-	-	-	60,000
DCW 3.0Ea/b/c Foothills to Burntwood	-	-	-	-	-	-	-	-	-	-	60,000
DCW 4.0E Burntwood to Historic Park	-	-	-	-	-	-	-	-	-	-	80,000
DCW 5.0E Burntwood to Gateway Dr.	-	-	-	-	-	-	-	-	-	-	80,000
MARCY GULCH											
M0.5 Santa Fe to HR Golf Course	500,000	-	-	-	-	-	-	-	-	-	1,200,000
M0.7 through HR Golf Course to Town Center Dr	-	-	-	-	-	-	-	-	-	-	1,100,000
HRP to Foothills Trail M2.0	-	-	-	-	-	-	-	-	-	-	1,100,000
Foothills to Broadway M3.0	-	-	-	-	-	-	-	-	-	-	375,000
Wildcat to Filing 119 (M4.0E)	-	-	-	-	-	-	-	-	-	-	825,000
Broadway to Wildcat (west) (M4.0W)	-	-	-	-	-	-	-	-	-	-	550,000
Mountain Vista HS to Wildcat M5.1E (and Wildcat to Confluence)	-	-	407,000	-	-	-	-	-	-	-	810,000

HIGHLANDS RANCH METRO DISTRICT
STORMWATER MANAGEMENT FUND

	2021				2022		2023		2024		Remaining Future
	Budget	9/30/2021 Actual	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	
BIG DRY CREEK GULCH											
BDE 0.5 Links Golf Course Holes 7 & 9	140,000	38,875	-	-	-	-	-	-	-	-	1,975,000
Gleneagles to PSCo easement BDE 1.0	-	-	-	-	-	-	-	-	-	-	685,500
PSCo easement to University BDE 2E (Big Dry by Cheese Ranch)	-	-	-	-	-	-	-	-	-	-	-
Reach BDE 5E - Quebec to Highlands Ranch Boundary	-	-	-	-	-	-	-	-	-	-	2,400,000
Reach BDE 5E - midpoint of reach	-	-	-	-	-	-	-	-	-	-	-
BDM 1.0 S. Madras to University	-	-	-	-	-	-	-	-	-	-	110,000
BDE 2W PSCO Easement to University	-	-	-	-	-	-	-	-	-	-	550,000
CIG Easement to confluence BDE 4W	-	-	-	-	-	-	-	-	-	-	690,000
Confluence to McArthur (west) BDE 5W	-	-	-	-	-	-	-	-	-	-	70,000
Confluence to McArthur (east)	-	-	-	-	-	-	-	-	-	-	360,000
BDE 7.1W Griggs to Confluence	-	-	-	-	-	-	-	-	-	-	100,000
BDE 7.2W Confluence to OSCA (west)	-	-	-	-	-	-	-	-	-	-	175,000
BDE 7.3W Confluence to OSCA (east)	-	-	-	-	-	-	-	-	-	-	50,000
BDE 8W McArthur to HR Boundary (middle)	-	-	-	-	-	-	-	-	-	-	575,000
BDE 9W and 9.2W McArthur to HR Boundary (east)	-	-	-	-	-	-	-	-	-	-	640,000
BDW 1.0a Links Golf Course Cannongate to C470	-	-	-	-	-	-	-	-	-	-	260,000
BDW 1.0b West Big Dry Creek (C470 to Gleneagles / Cresthill)	-	-	-	-	-	-	-	-	-	-	-
BDW 1.0c Links Golf Course, cart bridge to middle headcut	-	-	-	-	-	-	-	-	-	-	425,000
BDW 1.0d Links Golf Course Cresthill to golf cart bridge	500,000	31,000	165,000	-	1,036,000	(300,000)	-	(300,000)	-	-	-
BDW 4.0 Lark Sparrow to University (107C)	-	-	-	-	-	-	-	-	-	-	-
BDW 5.0 Lark Sparrow to University (107B)	-	-	-	-	-	-	-	-	-	-	240,000
Big Dry Creek with trail crossing	-	-	-	-	-	-	-	-	-	-	-
OTHER REACHES											
Otero Tributary											
C-470 to County Line Road	-	-	-	-	-	-	-	-	-	-	165,000
Quebec to Palomino Park (QUE 1.0,1.1,2.0,2.1)	-	-	-	-	-	-	-	-	-	-	509,000
TRAIL CROSSINGS											
West Fork Trail Crossing Removal and Replacement	180,000	12,000	-	-	200,000	-	-	-	-	-	-
Various	-	-	-	-	-	-	-	-	-	-	4,505,000
TOTAL Channel Stabilization	\$ 1,320,000	\$ 81,875	\$ 572,000	\$ -	\$ 1,436,000	\$ (300,000)	\$ 100,000	\$ (300,000)	\$ 2,600,000	\$ (1,400,000)	\$ 33,474,250

UTILITY SPECIAL REVENUE FUND

The Utility Special Revenue Fund accounts for rate revenues imposed by action of the Board of Directors related to:

- Water and Wastewater Rate Revenue for operation of the Centennial system
- Water and Wastewater Reserved Capacity payments to Centennial
- Streetlight Rate Revenues.

Water and Wastewater Rate Revenue

This Fund accounts for the receipt of revenues for water and wastewater services provided to District customers. Pursuant to the District's agreement with Centennial, these receipts must be segregated from the General Fund. The District chose not to establish an Enterprise Fund (a fund which would account for all of the costs related to the water and wastewater operations including debt service and capital) because:

- The District does not own and operate the water and wastewater treatment system nor the backbone transmission and collection systems but purchases these services from Centennial;
- The District does not include an amount in their rates which would cover the cost of depreciation on the system infrastructure which is District owned as a result of being donated to them; and
- The District intends to fund future replacement of infrastructure through either debt issuance or reserves to be established for replacement (which does not tie to depreciation expense).

The Fund does include all costs paid to Centennial to operate and maintain the Districts systems and for Centennial to deliver potable water to and treat wastewater for the customers of the District.

Source of funds to make the above expenditures include:

- Revenue from utility rate income. These rates are established by the Board of Directors.
- Revenue from plan review fees.

The funds collected are used to:

- Pay Centennial for wholesale services provided.

Any other transfer of funds from the Special Revenue Fund to another fund requires action by the Board of Directors. Such transfers are used when there are economic advantages to the District.

Reserved Capacity Payments

Prior to consolidation, the reserved capacity payments were recorded as capital assets. Post-consolidation the District has changed the reporting of these payments so they are now expenses and are accounted for in the Special Revenue Fund. Payments are made to Centennial to acquire Reserved Capacity in the Centennial facilities sufficient to serve the District service areas.

The primary source of revenues to fund the Reserved Capacity costs currently comes from Tap Fees, however in the early development years the proceeds were generated by the sale of general obligation bonds. The retirement of the debt generated by the issuance of these bonds is paid from the Debt Service Funds.

The outlay for Reserved Capacity Costs can be summarized as follows:

	2021 Projected	2022 Budget
Reserved Capacity Cost		
HRMD	\$ 686,964	\$ 3,034,032
Surcharge Remittance	429,040	302,750
	\$ 1,116,004	\$ 3,336,782

*Based on calculation of reserved capacity cost as set forth in Exhibit B to the
Water & Wastewater Service Agreement. See page SR 6.

Streetlight Revenues

The Special Revenue Fund also accounts for the receipt of revenues for streetlight services provided within the District and passed through on the water bill to all customers.

The District chose not to establish an Enterprise Fund (a fund which would account for all of the costs related to the streetlight operations including debt service and capital) because, solely based on Excel's interpretation of Public Utilities Commission (PUC) rules, the District does not own and operate the streetlight system. The residential subdivision lights are initially installed by the developer and transferred to Xcel Energy for operation and maintenance pursuant to said PUC rules. Similarly, the arterial streetlights are installed by the District in conjunction with the construction of the arterials by the District but are required to be transferred to Xcel.

The streetlight fee is calculated to "pass-through" the costs of providing streetlight service based on the tariffs and allowed commodity adjustments charged by Xcel Energy Company. The 2022 proposed budget proposes a residential streetlight fee of \$6.70 for the multi-family households. The commercial property fee is \$1.00 for every 7,500 square foot of lot size.

The average cost to replace an arterial streetlight is \$3,500 and a residential streetlight is \$1,400. The annual budget assumes replacement of 24 arterial lights. Residential streetlights have an average life of 50 years. Since the oldest residential streetlights are 40 years old no replacements are assumed in the 2022 budget.

The source of funds to make the streetlight expenditures for electrical and regular maintenance and repair is collected from the utility billing.

HIGHLANDS RANCH METROPOLITAN DISTRICT
UTILITY SPECIAL REVENUE FUND
2020-2022

	Actual 2020	Budget 2021	Projected 2021	Budget 2022
<i>REVENUES</i>				
Development Fees				
Tap Fees	\$ 3,032,040	\$ 1,323,375	\$ 2,041,765	\$ 1,055,125
Special Revenues				
Water and Wastewater Rate Income	40,480,618	40,483,000	38,760,000	40,483,000
Streetlight Fees	1,464,833	1,213,000	1,280,000	1,213,000
Other	-	-	-	-
Net Investment Income	81,370	17,800	18,000	6,100
<i>TOTAL REVENUES</i>	<u>45,058,861</u>	<u>43,037,175</u>	<u>42,099,765</u>	<u>42,757,225</u>
<i>EXPENDITURES</i>				
Water and Wastewater Operations	40,480,618	40,483,000	38,760,000	40,483,000
Public Safety - Streetlights - Operations	1,192,452	1,223,500	1,222,000	1,265,000
Investment in Reserved Capacity				
Exhibit B	942,814	686,964	686,964	3,034,032
Current Year Collections	870,190	389,250	429,040	302,750
<i>TOTAL EXPENDITURES</i>	<u>43,486,074</u>	<u>42,782,714</u>	<u>41,098,004</u>	<u>45,084,782</u>
Revenue over (under) expenditures	<u>1,572,787</u>	<u>254,461</u>	<u>1,001,761</u>	<u>(2,327,557)</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
Net investment income	(13,223)	(17,800)	(18,000)	(6,100)
From (to) Debt Service Fund	-	-	-	-
<i>TOTAL FINANCING SOURCES (USES)</i>	<u>(13,223)</u>	<u>(17,800)</u>	<u>(18,000)</u>	<u>(6,100)</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	1,559,564	236,661	983,761	(2,333,657)
<i>FUND BALANCE - BEGINNING</i>	4,661,583	6,878,589	6,221,147	7,204,908
<i>FUND BALANCE - ENDING</i>	<u>\$ 6,221,147</u>	<u>\$ 7,115,250</u>	<u>\$ 7,204,908</u>	<u>\$ 4,871,251</u>
Reserved for capacity payment	(341,584)	(780,446)	(780,446)	(537,850)
Reserved for streetlight replacement	(400,000)	(900,000)	(900,000)	(900,000)
<i>FUND BALANCE - Available</i>	<u>\$ 5,479,563</u>	<u>\$ 5,434,804</u>	<u>\$ 5,524,462</u>	<u>\$ 3,433,401</u>

RATE INCOME

Rates are established by the Board of Directors in order to fund the cost of providing water and wastewater service to the customers of the District. The primary function of the various rates are to cover:

1. The operations cost of providing water supply, treatment and distribution.
2. The operations cost of providing wastewater collection and treatment.
3. The cost of providing periodic billing statements, maintaining meters and administrative costs .
4. Debt service payments
- 5 The cost to fund a reserve for the repair and replacement of equipment
- 6 Accumulation of reserves for the acquisition of additional water supplies

Metered Water Consumption

Usage Relative to "Water Budget" *

- Up to 100% of WB
- 101% to 120% of WB**
- 121% to 140% of WB**
- Over 140% of WB**

Drought Rates - Stage 1

- 101% to 120% of WB**
- 121% to 140% of WB**

Drought Rates - Stage 2

- 101% to 120% of WB**
- 121% to 140% of WB**

Wastewater Treatment Service

Residential - Single Family

- Fixed fee
- Minimum charge -Fixed fee plus 3,000 gallons Use
- Use - winter time average (Fixed fee plus use for winter time average sets fee for year)

Residential - Multi Family (per unit)

- Fixed fee
- Minimum charge -Fixed fee plus 1,500 gallons
- Use - winter time average (Fixed fee plus use for winter time average sets fee for year)

Nonresidential

- Fixed fee per 3/4" equiv. tap size
- (Rate times 80% of water consumed)

Water Service Availability Fee

- Residential - Single Family
- Residential - Multi Family
- Nonresidential (per 3/4" equivalent)

	2021			2022		
	<u>Rate per 1,000 Gallons</u>			<u>Rate per 1,000 Gallons</u>		
	Summer	Winter	Irrig Only	Summer	Winter	Irrig Only
Up to 100% of WB	\$4.10	\$4.10	\$4.20	\$4.31	\$4.31	\$4.41
101% to 120% of WB**	\$5.52	\$5.52	\$5.70	\$5.80	\$5.80	\$6.00
121% to 140% of WB**	\$8.38	\$5.52	\$9.90	\$8.81	\$5.80	\$10.40
Over 140% of WB**	\$12.68	\$9.13	\$16.80	\$13.33	\$9.60	\$17.70
Drought Rates - Stage 1						
101% to 120% of WB**				\$7.25		\$7.50
121% to 140% of WB**				\$11.01		\$13.00
Drought Rates - Stage 2						
101% to 120% of WB**				\$8.70		\$9.00
121% to 140% of WB**				\$13.21		\$15.60
Residential - Single Family						
Fixed fee	\$ 21.52	Bi-monthly		\$ 23.68	Bi-monthly	
Minimum charge -Fixed fee plus 3,000 gallons Use	\$ 32.77			\$ 35.26		
Use - winter time average (Fixed fee plus use for winter time average sets fee for year)	\$ 3.75	per 1,000 gallons		\$ 3.86	per 1,000 gallons	
Residential - Multi Family (per unit)						
Fixed fee	\$ 10.76	Monthly		\$ 11.84	Monthly	
Minimum charge -Fixed fee plus 1,500 gallons	\$ 16.39			\$ 17.63		
Use - winter time average (Fixed fee plus use for winter time average sets fee for year)	\$ 3.75	per 1,000 gallons		\$ 3.86	per 1,000 gallons	
Nonresidential						
Fixed fee per 3/4" equiv. tap size	\$ 10.76	Monthly		\$ 11.84	Monthly	
(Rate times 80% of water consumed)	\$ 3.75	per 1,000 gallons		\$ 3.86	per 1,000 gallons	
Water Service Availability Fee						
Residential - Single Family	\$ 33.50	bimonthly		\$ 34.82	bimonthly	
Residential - Multi Family	\$ 10.47	monthly		\$ 10.88	monthly	
Nonresidential (per 3/4" equivalent)	\$ 16.75	monthly		\$ 17.41	monthly	

* Water Budget per residential customer = 12,000 gallons bimonthly for indoor use + outdoor usage equivalent to 27" of irrigation annually on the irrigated area of the lot (irrigated area = 45% of gross lot size). Water budget for irrigation only customers = 27" annually of irrigation on actual irrigated area.

** Rates subject to change due to, but not limited to, water supply conditions such as drought, and the provision of sufficient funds for the operation of the district.

TAP FEES

The District collects a Tap Fee from each new customer at the time the customer requires the installation of a meter to obtain service.

Proceeds from the collection of tap fees are used as follows:

1. The portion of the tap fee related to the amount originally advanced to Centennial for the purchase of a license for capacity in Centennial facilities is retained by the District and used to make debt service payments (Base Capacity Fee)
2. Centennial can and does assess a surcharge to its established capacity fee. The difference between the amount required to be collected for by Centennial and the portion defined in 1 above is remitted to Centennial at the time of collection pursuant to the license agreement.

The projected fee for a residential 3/4" water and sewer tap will be as follows:

	Prior to Jan. 1, 2021	As of Jan. 1, 2021	Effective Jan. 1, 2022
<u>Single Family Residential 3/4"</u>			
Base Capacity Fee	\$ 5,960	\$ 5,960	\$ 5,960
Centennial Surcharges			
Channel Stabilizaton surcharge	250	250	250
Water Acquisition Fee	1,480	1,480	1,480
	<u>\$ 7,690</u>	<u>\$ 7,690</u>	<u>\$ 7,690</u>

The estimate of Tap Fees to be collected for 2016 and 2017 is:

	2021 Budget	2021 Projected	2022 Budget
Tap Fee Received By District			
Single Family Residential	\$ 1,153,500	\$ 576,750	\$ 384,500
Based on # of SF DUs	115	75	50
Multi Family Residential	\$ 670,625	\$ 826,210	\$ 670,625
Based on # of MF DUs	125	154	125
Non-residential	\$ 356,765	\$ 209,765	\$ -
Full service (3/4" equiv)	-	18	-
Irrigation (3/4" equiv.)	-	1	-
	<u>\$ 2,180,890</u>	<u>\$ 1,612,725</u>	<u>\$ 1,055,125</u>
Remitted to CW&SD			
Channel Stabilizaton surcharge	\$ 60,000	\$ 62,000	\$ 43,750
Water Acquisition	355,200	367,040	259,000
	<u>\$ 415,200</u>	<u>\$ 429,040</u>	<u>\$ 302,750</u>

HIGHLANDS RANCH METROPOLITAN DISTRICT
EXHIBIT B TO THE WATER AND WASTEWATER SERVICE AGREEMENT
CALCULATION OF RESERVED CAPACITY COST

REMAINING NONRESIDENTIAL RESERVED CAPACITY

Reserved Capacity Cost for Undeveloped Nonresidential

Total Number of Acres Platted	1,160.183
Total Number of Acres Service Not Requested	(126.258)
Less total acres placed in service	(1,009.678)
Total remaining acres with requested service	24.247
No. of taps at two 3/4" per undeveloped acre	48
Multiplied by the Capacity Fee per Nonresidential 3/4" tap	\$ 463,200
Estimated Reserved Capacity Cost - Nonresidential undeveloped	\$ 463,200

REMAINING SINGLE FAMILY RESIDENTIAL RESERVED CAPACITY

Reserved Capacity Cost for Undeveloped Single Family Residential

Total Number of Dwelling Units Platted	29,305
Total Number of Dwelling Units - Service not requested	(48)
Less Total Number of dwelling units placed in service	(29,083)
No. of remaining Single Family Residential taps	174
Multiplied by the Capacity Fee per Single Family Residential 3/4" tap	\$ 1,037,040
Estimated Reserved Capacity Cost - Residential undeveloped	\$ 1,037,040

REMAINING MULTI-FAMILY RESIDENTIAL RESERVED CAPACITY

Reserved Capacity Cost for Undeveloped Multi-Family Residential

Total Number of Dwelling Units Platted	8,525
Total Number of Dwelling Units - Service not requested	(241)
Less Total Number of dwelling units placed in service	(8,189)
No. of remaining Multi-Family Residential taps	95
Multiplied by the Capacity Fee per Multi-Family Residential 3/4" tap	\$ 359,100
Estimated Reserved Capacity Cost - Residential undeveloped	\$ 359,100

CALCULATION OF RESERVED CAPACITY PAYMENTS DUE

Remaining					
Nonresidential	\$ 463,200				
Single Family	1,037,040				
Multi Family	359,100				
				\$ 1,859,340	
Collected thru 9/30/2019					
Metro 1	\$ 42,491,983				
Metro 2	40,937,336				
Metro 3	40,963,220				
Metro 4	44,026,216				
Consolidated	30,944,276			\$ 199,363,033	
					\$ 201,222,373

RESERVED CAPACITY PAYMENTS MADE TO DATE

As of 12/31/20 per CWSO general ledger (951 -410-10-xxxx)	\$ (201,252,332)
Present value discount on 1992 Metro 1 payment	(353,665)
4/01/2021 Payment	686,964
	\$ (200,919,033)
TOTAL DUE	\$ 303,340

PAYMENT DUE APRIL 1

	Collected in Excess of Amount Paid	Minimum	% of excess	Total	Cumulative
2022	\$ -	\$ 100,000	\$ 121,336	\$ 221,336	\$ 221,336
2023		\$ 100,000	\$ 32,802	\$ 132,802	\$ 354,138
2024		\$ 100,000	\$ (20,319)	\$ 79,681	\$ 433,819
2025		\$ 100,000	\$ (52,191)	\$ 47,809	\$ 481,627
2026		\$ 100,000	\$ (71,315)	\$ 28,685	\$ 510,312
2027		\$ 100,000	\$ (82,789)	\$ 17,211	\$ 527,524
2023		\$ 100,000	\$ (89,673)	\$ 10,327	\$ 537,850

RECREATION SPECIAL REVENUE FUND

In 2010, the District established a Special Revenue Fund that accounts for Recreation Program and Park Services revenues and expenditures. Prior to this time the revenues and expenditures were shown as part of the General Fund.

The Fund accounts for revenues for recreation programs offered by the District as well as fees charged for field and shelter reservations provided to District customers.

Sources include:

- As part of the provision of various services, the District receives fees for recreation services and park use permits. The fee schedules used in the construction of the 2022 budget are summarized in Exhibits to the adopting resolutions for the Budget.
- An operating transfer from the General Fund in an amount equal to expenditures in excess of revenues as approved by the Board of Directors.

The funds collected are used to pay District expenses associated with the following activities:

Park Services

Administration and management of maintenance and scheduling of various fields managed by the District

Recreation Programs

Administration and management of various recreational sports programs for adults and youth managed by the District

Senior Services

Administration of programs geared towards the senior population managed by the District and partially funded by Douglas County

To the extent that the fees collected do not offset the expenditures for the referenced programs, the budget anticipates the following transfers will be made:

	Actual 2019	Actual 2020	Projected 2021	Budget 2022
General Fund Transfers				
Recreation/Park Services	\$ 380,523	\$ 716,611	\$ 521,413	\$ 506,307
Senior Services	55,595	70,258	76,400	79,000
TOTAL	\$ 436,118	\$ 786,869	\$ 597,813	\$ 585,307

In 2020, due to COVID-19, the District had fewer program options therefore the subsidy was higher in 2020 to recover fixed costs.

Any other transfer of funds from the Recreation Special Revenue Fund to another fund requires action by the Board of Directors. Such transfers are used when there are economic advantages to the District.

HIGHLANDS RANCH METROPOLITAN DISTRICT
RECREATION SPECIAL REVENUE FUND
2020-2022

	Actual 2020	Budget 2021	Projected 2021	Budget 2022
<i>REVENUES</i>				
Reservations	\$ 263,151	\$ 397,075	\$ 408,570	\$ 436,895
Internal Field Reservations Programs	87,729	148,800	118,000	144,030
Other	364,042	882,000	698,085	966,450
Recreation / Park Services	322	14,875	14,875	13,325
Senior Services	16,522	30,550	20,700	21,200
<i>TOTAL REVENUES</i>	<u>731,766</u>	<u>1,473,300</u>	<u>1,260,230</u>	<u>1,581,900</u>
<i>EXPENDITURES</i>				
Operations Budget				
Recreation / Park Services	1,431,855	1,944,960	1,760,943	2,036,872
Senior Services	86,780	98,100	97,100	100,200
Budget Request (<i>one-time</i>)	-	21,000	-	30,134
<i>TOTAL EXPENDITURES</i>	<u>1,518,635</u>	<u>2,064,060</u>	<u>1,858,043</u>	<u>2,167,206</u>
Revenue over (under) expenditures	<u>(786,869)</u>	<u>(590,760)</u>	<u>(597,813)</u>	<u>(585,307)</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
From (to) General Fund	786,869	590,760	597,813	585,307
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>786,869</u>	<u>590,760</u>	<u>597,813</u>	<u>585,307</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	-	-	-	-
<i>FUND BALANCE - BEGINNING</i>				
	-	-	-	-
<i>FUND BALANCE - ENDING</i>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MANSION SPECIAL REVENUE FUND

This fund collects and disburses funds for the specific purpose of operating the Highlands Ranch Mansion.

Funding is available from:

- Rental fees for private events. These fees have been established consistent with the surrounding market for similar venues.
- Net revenue from liquor sales from the private events and kitchen catering fees assessed to third party caterers using the Districts facilities.
- Investment income generated from a \$4 million “endowment” established from previously collected System Development Fees that the District chose to set aside and that the primary developer, Shea Homes, did not object to be used for the endowment. This funding was earmarked in an agreement with the developer to establish the endowment to assist with funding the on-going operation and maintenance of the mansion.

The revenue portion of the Budget is based on pre-rentals for 2022 as of September 30, 2021.

The District’s stated objective is to fund all operations and maintenance as well as a reserve for the majority of major repairs without using tax revenues. To date the District has met this objective. As a result, when Mansion work is performed by District staff that are paid from the General Fund, the Mansion Special Revenue Fund reimburses by transfer to the General Fund for estimates of these costs.

	Budget 2021	Projected 2021	Budget 2022
Transfers to General Fund for Landscape and Facilities Maintenance	\$ 51,800	\$ 43,300	\$ 56,600

A portion of the fund balance is “assigned” to create a reserve for repairs that are not of a recurring scheduled nature. Currently 10% of the rental revenues are being assigned annually as part of the process. As we are still accumulating data from the early years of operation this amount appears appropriate. In the future staff will prepare a more detailed analysis of the reserve requirements in order to refine the annual set aside.

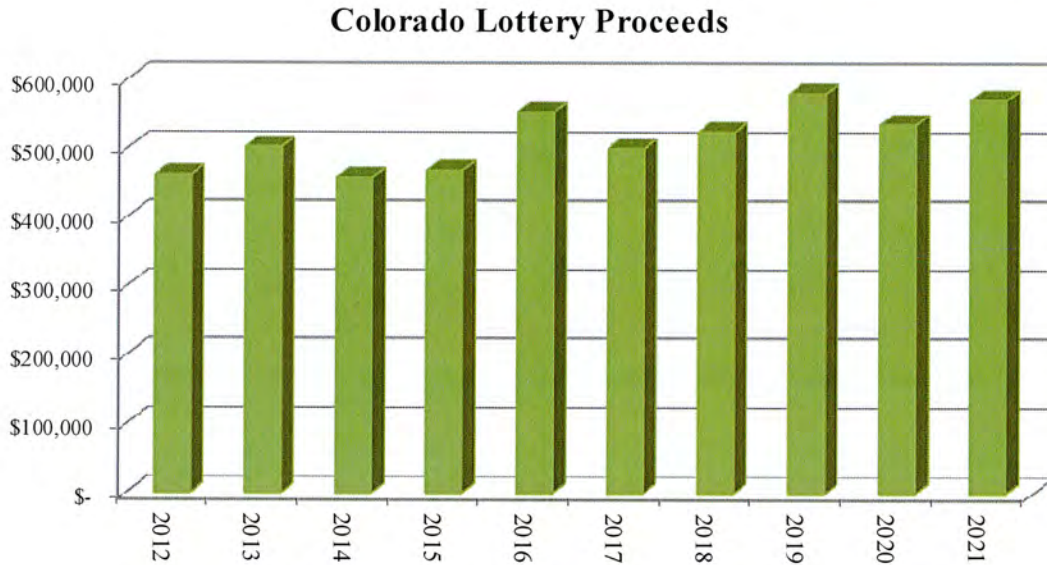
	2020 Actual	2021 Budget	2021 Revised	2022 Budget
Reserve Calculation				
Beginning Balance	\$ 123,653	\$ 113,012	\$ 76,571	\$ 86,996
10% of Reservation Revenues	10,182	46,400	30,800	40,000
Adj. to target fund balance		-		
Use of reserves	(57,264)	(20,375)	(20,375)	(40,290)
Ending Balance	\$ 76,571	\$ 139,037	\$ 86,996	\$ 86,706

HIGHLANDS RANCH METROPOLITAN DISTRICT
MANSION SPECIAL REVENUE FUND
2020-2022

	Actual 2020	Budget 2021	Projected 2021	Budget 2022
<i>REVENUES</i>				
Reservations	\$ 101,817	\$ 379,080	\$ 308,000	\$ 400,000
Programs	(60)	-	-	-
Other - Sales	31,489	102,000	60,000	102,000
Net Investment Income	87,704	21,600	20,700	10,600
<i>TOTAL REVENUES</i>	<u>220,950</u>	<u>502,680</u>	<u>388,700</u>	<u>512,600</u>
<i>EXPENDITURES</i>				
Operations Budget	448,417	570,100	496,100	566,850
Cost of sales	6,693	35,000	25,000	35,000
Use of reserve	57,264	20,375	20,375	40,290
Budget Request (one-time)	-	-	-	-
Budget Request (ongoing)	-	-	-	-
<i>TOTAL EXPENDITURES</i>	<u>512,374</u>	<u>625,475</u>	<u>541,475</u>	<u>642,140</u>
Revenue over (under) expenditures	<u>(291,424)</u>	<u>(122,795)</u>	<u>(152,775)</u>	<u>(129,540)</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
From (to) General Fund	-	(51,800)	(43,300)	(56,600)
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>-</u>	<u>(51,800)</u>	<u>(43,300)</u>	<u>(56,600)</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	(291,424)	(174,595)	(196,075)	(186,140)
<i>FUND BALANCE - BEGINNING</i>	4,713,678	4,322,278	4,422,254	4,226,179
<i>FUND BALANCE - ENDING</i>	<u>\$ 4,422,254</u>	<u>\$ 4,147,683</u>	<u>\$ 4,226,179</u>	<u>\$ 4,040,039</u>
Reserve for repairs	(81,757)	(99,272)	(92,182)	(91,892)
Endowment	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
<i>FUND BALANCE - Available</i>	<u>\$ 340,497</u>	<u>\$ 48,411</u>	<u>\$ 133,997</u>	<u>\$ (51,853)</u>

CONSERVATION TRUST FUND SPECIAL REVENUE FUND

This Special Revenue Fund accounts for the proceeds from the Colorado Lottery. The amounts received are subject to the population estimates of the District in relation to the population of all participating entities multiplied by a per capita amount as calculated by the State of Colorado. The per capita amount is dependent upon receipts from the various Lottery games. The chart below provides the last ten years of Colorado Lottery Proceeds received by the District.



2022 Conservation Trust Fund Capital Projects

- Marcy Gulch Trail improvements
- Toepfer Park planning
- Mansion/ Historic Park Interpretative Signage
- Mansion Courtyard/ Front grounds improvements
- ADA transition plan
- Highline Canal trail improvements and signage

HIGHLANDS RANCH METRO DISTRICT
 CONSERVATION TRUST FUND
 2020-2022

	Actual 2020	Budget 2021	Projected 2021	Budget 2022
<i>REVENUES</i>				
Conservation Trust Fund	\$ 535,673	\$ 470,000	\$ 571,000	\$ 500,000
Net Investment Income	13,280	8,600	8,000	6,300
<i>TOTAL REVENUES</i>	<u>548,953</u>	<u>478,600</u>	<u>579,000</u>	<u>506,300</u>
<i>EXPENDITURES</i>				
Capital Outlay	233,179	635,000	87,901	540,000
Intragovernmental				
Transfer to General Government Capital Projects	81,705	-	-	175,000
Transfer to Major Repair Fund	125,020	-	-	120,000
<i>TOTAL EXPENDITURES</i>	<u>439,904</u>	<u>635,000</u>	<u>87,901</u>	<u>835,000</u>
Revenue over (under) expenditures	<u>109,049</u>	<u>(156,400)</u>	<u>491,099</u>	<u>(328,700)</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
Net Investment Income	-	-	-	-
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	109,049	(156,400)	491,099	(328,700)
<i>FUND BALANCE - BEGINNING</i>	1,649,935	1,479,426	1,758,984	2,250,083
<i>FUND BALANCE - ENDING</i>	<u>\$ 1,758,984</u>	<u>\$ 1,323,026</u>	<u>\$ 2,250,083</u>	<u>\$ 1,921,383</u>
Less Assigned Fund Balance	(200,000)	(400,000)	(400,000)	(600,000)
Available Fund Balance	<u>\$ 1,558,984</u>	<u>\$ 923,026</u>	<u>\$ 1,850,083</u>	<u>\$ 1,321,383</u>

**HIGHLANDS RANCH METRO DISTRICT
CONSERVATION TRUST FUND**

2021

	Budget	Actuals		Total	2022 Projected	2023 Projected	2024 Projected
		Appropriations Thru 9/30/2021	Remaining				
Trails							
Trail 6.4.0 Upper Marcy Gulch Trail	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ -
Highline Canal Crossing with DC	-	-	-	-	70,000	-	-
Park Parking Improvements/Trail Crossings	-	-	-	-	-	-	-
Mansion Driveway Sidewalks	-	-	-	-	-	100,000	-
Elementary School Field Improvements	-	-	-	-	40,000	560,000	-
Toepfer Park School Site	-	-	-	-	-	-	-
Mansion/Historic Park							
Historic Park Signage - Way Finding Plan	150,000	-	-	-	150,000	150,000	-
Mansion Front Yard/Courtyard - Grounds improvements	140,000	-	-	-	230,000	90,000	90,000
Other							
ADA Transition Pan	120,000	-	-	-	120,000	120,000	120,000
Highline Canal Signage	50,000	36,575	-	36,575	50,000	-	-
Total	<u>\$ 635,000</u>	<u>\$ 36,575</u>	<u>\$ -</u>	<u>\$ 36,575</u>	<u>\$ 835,000</u>	<u>\$ 1,020,000</u>	<u>\$ 210,000</u>

CHANGES IN FUND BALANCE TO BE ASSIGNED

Community Park - Historic Park	200,000	-	-	200,000	200,000	200,000	\$200,000
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DEBT SERVICE FUND

The Debt Service Fund provides centralized accounting for all interest, principal payments and other expenditures incurred by the District related to the outstanding debt. Accounted for within the Fund are specific bond sub-funds established pursuant to the resolutions authorizing issuance of the District debt.

The Debt Service Fund is currently supported by revenue generated from:

- Property taxes as delineated on the Calculation of Tax Revenue schedule.
- Interest on the Debt Service Fund balance.
- Transfers from the Capital Projects Fund:
 - Interest earned on the fund balance in the General Government portion of the Capital Projects Fund is automatically transferred to the Debt Service Fund.
 - Systems Development Fees are initially deposited into the Capital Projects Fund. To the extent that taxes and other revenues/transfers are not sufficient to maintain the Board directed targeted fund balance, a transfer is made from the Capital Projects Fund in an amount sufficient to meet the target.

Staff annually prepares a debt management plan for the Board to review. This plan analyzed the ability of the District to continue on track to retire all outstanding debt of the District as soon after the first call date of 2016 as possible however as part of the June 2016 visioning workshop it was determined that the Metro 2 and 3 debt should be refunded with a present value savings in order to allow for the capital improvements identified in the workshop.

As part of the 2021 budget planning process, the Board directed staff to utilize funds from the general fund to retire the remaining outstanding obligation early. As such, the debt was paid in full in 2021.

District debt was issued to fund the infrastructure identified in the Facilities Plan section of the Capital Improvements Program for the base improvements necessary to serve Highlands Ranch. The Facilities Plan identified the infrastructure in the following major categories:

- Arterial roadways
- Storm drainage / channel stabilization
- Parkway landscaping
- Traffic Signals
- Parks and trails
- Fire stations and the initial equipping
- C-470 highway interchange

HIGHLANDS RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
2020-2022

	Actual 2020	Budget 2021	Projected 2021	Budget 2022
<i>REVENUES</i>				
Taxes <i>(see detail)</i>	\$ 3,898,709	\$ 3,638,162	\$ 3,638,162	\$ -
Net Investment Income	113,802	13,600	63,000	-
Miscellaneous	-	-	-	-
<i>TOTAL REVENUES</i>	<u>4,012,511</u>	<u>3,651,762</u>	<u>3,701,162</u>	<u>-</u>
<i>EXPENDITURES (see detail)</i>				
General Government				
Paying Agent Fees	300	500	500	-
Debt Service				
Principal	3,615,000	19,190,000	19,190,000	-
Interest	410,490	345,420	345,420	-
Bond Issue Expense	-	-	-	-
<i>TOTAL EXPENDITURES</i>	<u>4,025,790</u>	<u>19,535,920</u>	<u>19,535,920</u>	<u>-</u>
Revenue over (under) expenditures	<u>(13,279)</u>	<u>(15,884,158)</u>	<u>(15,834,758)</u>	<u>-</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Bond issue				
Bond Proceeds	-	-	-	-
Transferred to Escrow	-	-	-	-
Operating transfers				
From (to) General Fund	-	10,000,000	10,000,000	-
From (to) Special Revenue Funds	-	-	-	-
From (to) General Government Capital Projects Fund	-	500,000	348,723	-
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>-</u>	<u>10,500,000</u>	<u>10,348,723</u>	<u>-</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	(13,279)	(5,384,158)	(5,486,035)	-
<i>FUND BALANCE - BEGINNING</i>	5,499,314	5,411,311	5,486,035	-
<i>FUND BALANCE - ENDING</i>	<u>\$ 5,486,035</u>	<u>\$ 27,153</u>	<u>\$ -</u>	<u>\$ -</u>
TARGETED FUND BALANCE	\$ 4,016,210	\$ -	\$ -	\$ -

DEBT SERVICE REQUIREMENTS

The projected outstanding principal for the District is as follows:

<u>Long Term Debt</u>	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Retirements/ Refunding</u>	<u>Balance 12/31/2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2022</u>
Series 2016	\$ 19,190,000	-	19,190,000	-	-	-	\$ -
TOTAL	\$ 19,190,000	-	19,190,000	-	-	-	\$ -

Below is the future annual principal and interest payments on the debt:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	3,685,000	345,420	4,030,420
2022			
2023			
2024			
2025			
	<u>\$ 3,685,000</u>	<u>\$ 345,420</u>	<u>4,030,420</u>

The projected expenditures related to interest during 2021 and 2022 can be summarized as follows:

	<u>TOTAL</u>	
	<u>2021</u>	<u>2022</u>
Consolidated Series 2016	\$ 345,420	\$ -
TOTAL	\$ 345,420	\$ -

CAPITAL PROJECT FUNDS

The Capital Projects Fund is comprised of three sub-funds:

- The General Government Capital Project Fund
- Major Repair Fund
- Water and Sewer Reserve Fund

General Government Capital Project Fund

The General Government Capital Projects Fund provides centralized accounting for all major general governmental capital improvement projects, the preponderance of which are identified in the District's Facilities Plan according to the following:

Capital Improvement Projects funded are projects to acquire or construct an asset generally with a value exceeding \$25,000 and an expected life of ten years or more. Capital project appropriations continue in effect for the duration of the project period. It is characteristic that these projects span several years due to the scope of work being done.

The Facility Plan, a comprehensive planning document that attempts to identify the long-range capital improvement projects necessary to serve Highlands Ranch, is the basis for the calculation of Systems Development Fees (SDF) assessed on properties within the District. The collection of SDF is designed to be equal to the total ultimate cost of all facilities. Due to the need to build infrastructure prior to being able to collect fees, debt may be issued to fund projects with the ultimate repayment of this debt recovered from future SDF collections.

Therefore, the primary source of revenues to construct these projects comes from either:

- The proceeds generated by the sale of general obligation bonds.
- Systems Development Fees.

The retirement of the debt generated by the issuance of these bonds is paid from the Debt Service Fund.

During the design phase of a project, appropriations are made as each new commitment is made. Once a project has been bid, a construction budget is prepared and approved by the Board of Directors. The construction budget generally includes funds for: the bid amount for construction, construction administration and inspection services, other engineering necessary for the construction of the project, allocations of design costs previously committed and a contingency factor generally equal to 10% of the above items. The project appropriation is then increased in an amount sufficient to equal the amount of the construction budget. Appropriations do not lapse at the end of each year, but instead carry forward until rescinded by the Board of Directors. The schedule below shows the anticipated appropriation status for various capital projects in 2021 and 2022.

	Capital Projects Fund				
	Gen. Govt	Major Repair	Transfer from Stormwater	Water & Sewer Reserve	CTF
Carried forward from 2020	\$ 846,994	\$ 4,534,405	\$ 475,915	\$ -	\$ 51,326
Net new appropriations anticipated	1,652,177	2,186,466	653,875	1,069,781	36,575
Carried forward to 2022	-	-	-	-	-
Total Expenditures / Transfers 2021	\$ 2,499,171	\$ 6,720,871	\$ 1,129,790	\$ 1,069,781	\$ 87,901
Carried Forward from 2021	\$ -	\$ -	\$ -	\$ -	\$ -
Net new appropriations anticipated	15,046,496	3,602,868	1,436,000	100,000	835,000
Carried forward to 2023	-	-	-	-	-
Total Expenditures / Transfers 2022	\$ 15,046,496	\$ 3,602,868	\$ 1,436,000	\$ 100,000	\$ 835,000

2022 Capital Improvement Projects

Arterial Roadways

- Streetlights on Wildcat Reserve Parkway (east of Broadway)

Parkway Landscape

- Per District policy qualified landscape projects can be submitted for reimbursement. Once the property is reimbursed the ongoing operation and maintenance of the property will be paid for from the General Fund. The approximate cost is \$6,800 per acre for maintenance and water. It is anticipated that there will be no reimbursements in 2022.

Storm Drainage

- Channel Stabilization – Future Channel Stabilization work will be funded directly by the Stormwater Management Fund. There are no anticipated projects in 2022.

Traffic Signal

- There are no plans for traffic signals in 2022

Parks Projects

- There are no park projects planned for 2022.

Community Enhancements

- In 2013 Douglas County committed to fund several projects for improvements on the Mansion Grounds and in the Historic Park. Projects began in 2013 however it is anticipated that there will be no project work in 2022.
- In 2021, the District began planning for a Senior Center to be constructed on the southeast side of Broadway and Highlands Ranch Parkway. Construction of this Center will begin in 2022.
- Pickelball is becoming popular with Highlands Ranch residents. As such, the Board has asked the District to begin planning for the instillation of Pickelball courts in the area. A site has not yet been determined but it is currently projected that land will be identified in 2022.

Trails

- Work on the Marcy Gulch Trail, west of Mountain Vista High School is expected to begin in 2022.

Major Repair Fund

The Metro District's Major Repair Fund is used to account for the funds set aside by the District for "major" repairs to infrastructure either owned by the District or which the District is contractually obligated to maintain. Routine operation and maintenance costs are already included in the budget and the major repair and renovation will occasionally result in a reduction in maintenance costs.

Revenue sources:

- Income from license agreements for cell phone towers and electronic equipment, which were previously recognized as other income in the General Fund, is deposited directly into the Major Repair Fund.
 - Lease agreements are done on a site specific basis often requiring a deposit and installation of enhanced landscaping at the site. Zoning approval for each site by Douglas County is the responsibility of the respective carrier. Each agreement stipulates the annual fee and renewal terms.
 - The average annual lease fee is \$24,000. In 2021 the District projects revenues of \$906,000 for permits and leases on existing sites. The 2022 budget assumes collections of \$900,000.
- During the budget process, the District identified \$2,000,000 (approximately 1.1 mills) to be transferred from the General Fund to the Major Repair Fund to fund various identified projects, with an additional \$384,201 for the purchase of vehicle and equipment replacement.

Use of the accumulated proceeds is determined annually by the Board of Directors.

A portion of the fund balance is assigned for:

1. An intergovernmental agreement with Douglas County School District which reserves \$20,000 per year for future replacement of shared artificial turf field at Pronghorn Park.

HISTORY NOTE:

Prior to 2004, major repairs to the District's comparatively new infrastructure were not material. What repairs were necessary were handled from operating funding from the General Fund Budget.

Since the inception of the fund in 2004, the primary source of revenue prior to 2011 was:

- A transfer from the General Fund which was generally calculated based on cell phone site leases and from General Fund balances in excess of the 50% target.
- An amount generally equivalent to the HB 1006 property taxes which were collected in counties designated as fast growing. In 2009 this designation was removed from Douglas County and no funding has been received since.
- Since 2001 income generated from cell site lease agreements has grown from \$12,600 to an estimated \$900,000 in 2022.

HIGHLANDS RANCH METROPOLITAN DISTRICT
GENERAL GOVERNMENT CAPITAL PROJECTS FUND
2020-2022

	Actual 2020	Budget 2021	Projected 2021	Budget 2022
<i>REVENUES</i>				
System Development Fees	\$ 1,011,493	\$ 412,000	\$ 178,679	\$ 450,000
Intragovernmental	81,705	-	-	175,000
Contribution Offsetting Capital Outlay	160,000	-	118,537	-
Other	-	-	-	-
Net Investment Income	506,352	132,500	140,800	54,100
<i>TOTAL REVENUES</i>	<u>1,759,550</u>	<u>544,500</u>	<u>438,016</u>	<u>679,100</u>
<i>EXPENDITURES (see detail)</i>				
Capital Outlay				
Facility Plan	6,174	-	-	-
Community Enhancements	819,020	3,852,263	2,499,171	15,046,496
Stormwater Plan	-	1,320,000	1,129,790	1,436,000
Other	42,326	-	-	-
<i>TOTAL EXPENDITURES</i>	<u>867,520</u>	<u>5,172,263</u>	<u>3,628,961</u>	<u>16,482,496</u>
Revenue over (under) expenditures	<u>892,030</u>	<u>(4,627,763)</u>	<u>(3,190,945)</u>	<u>(15,803,396)</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
Net Investment Income	-	-	-	-
From (to) Stormwater Fund	389,800	1,320,000	1,129,790	1,436,000
From (to) Debt Service Fund	-	(500,000)	(348,723)	-
Gen Gov Capital / W/WW Capital	-	-	-	-
Gen. Govt. Capital / SR - Mansion				
From (to) General Fund	-	-	-	3,690,000
From (to) Recreation Fund	-	-	-	-
From (to) Major Repair Fund	-	-	-	-
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>389,800</u>	<u>820,000</u>	<u>781,067</u>	<u>5,126,000</u>
<i>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	1,281,830	(3,807,763)	(2,409,878)	(10,677,396)
<i>FUND BALANCE - BEGINNING</i>	28,149,647	28,471,204	29,431,477	27,021,600
<i>FUND BALANCE - ENDING</i>	<u>\$ 29,431,477</u>	<u>\$ 24,663,441</u>	<u>\$ 27,021,600</u>	<u>\$ 16,344,204</u>

HIGHLANDS RANCH METROPOLITAN DISTRICT
 MAJOR REPAIR FUND
 2020-2022

	Actual 2020	Budget 2021	Projected 2021	Budget 2022
<i>REVENUES</i>				
Intergovernmental				
Transfer from Conservation Trust Fund	\$ 125,020	\$ -	\$ -	\$ -
Other - Cell Site Lease Revenue	985,064	900,000	906,000	900,000
Contribution Offsetting Capital Outlay	-	-	-	14,250
Net Investment Income	40,233	21,100	26,000	7,200
<i>TOTAL REVENUES</i>	<u>1,150,317</u>	<u>921,100</u>	<u>932,000</u>	<u>921,450</u>
<i>EXPENDITURES</i>				
Capital Outlay (net of transfer to Utility Fund)	5,024,903	6,440,120	6,720,871	3,602,868
Vehicle and Equipment Replacement	193,382	189,343	189,343	384,201
<i>TOTAL EXPENDITURES</i>	<u>5,218,285</u>	<u>6,629,463</u>	<u>6,910,214</u>	<u>3,987,069</u>
Revenue over (under) expenditures	<u>(4,067,968)</u>	<u>(5,708,363)</u>	<u>(5,978,214)</u>	<u>(3,065,619)</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
From (to) General Fund	1,735,820	2,189,343	2,189,343	2,384,201
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>1,735,820</u>	<u>2,189,343</u>	<u>2,189,343</u>	<u>2,384,201</u>
<i>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>				
	(2,332,148)	(3,519,020)	(3,788,871)	(681,418)
<i>FUND BALANCE - BEGINNING</i>	10,524,678	7,092,891	8,192,530	4,403,659
<i>FUND BALANCE - ENDING</i>	\$ 8,192,530	\$ 3,573,871	\$ 4,403,659	\$ 3,722,241
Less Assigned Fund Balance	(165,000)	-	(195,000)	(20,000)
Available Fund Balance	<u>\$ 8,027,530</u>	<u>\$ 3,573,871</u>	<u>\$ 4,208,659</u>	<u>\$ 3,702,241</u>

HIGHLANDS RANCH METROPOLITAN DISTRICT
WATER AND SEWER RESERVE FUND
2020-2022

	Actual 2020	Budget 2021	Projected 2021	Budget 2022
<i>REVENUES</i>				
Special Revenues				
Rate Income	\$ -	\$ -	\$ -	\$ -
Contributed Capital	-	-	-	-
Other	-	-	-	-
Net Investment Income	5,452	-	-	-
<i>TOTAL REVENUES</i>	<u>5,452</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>EXPENDITURES</i>				
Water and Wastewater Capital				
Water Line Replacement (Chesapeake)	91,000	900,000	1,069,781	-
Water Line Replacement (Bellflower)	-	-	-	100,000
Water Line Replacement (Crestmore)	-	-	-	-
<i>TOTAL EXPENDITURES</i>	<u>91,000</u>	<u>900,000</u>	<u>1,069,781</u>	<u>100,000</u>
Revenue over (under) expenditures	<u>(85,548)</u>	<u>(900,000)</u>	<u>(1,069,781)</u>	<u>(100,000)</u>
<i>OTHER FINANCING SOURCES (USES)</i>				
Operating transfers				
From (to) General Fund	694,548	700,000	700,000	700,000
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>694,548</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
<i>REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</i>	609,000	(200,000)	(369,781)	600,000
<i>FUND BALANCE - BEGINNING</i>	800,000	1,409,000	1,409,000	1,039,219
<i>FUND BALANCE - ENDING</i>	<u>\$ 1,409,000</u>	<u>\$ 1,209,000</u>	<u>\$ 1,039,219</u>	<u>\$ 1,639,219</u>

SYSTEM DEVELOPMENT FEES

The District has approved the establishment of a fee for residential, commercial and industrial property owners which is collected at the same time as or prior to the collection of the tap fees for the specific property. The fee, which is calculated annually, is designed to recover the historical and future estimated costs of the construction of arterial roadways, parkway landscaping, storm drainage facilities, parks and trails, and fire and emergency facilities as found in the District's Facility Plan. Effective January 1, 2019, South Metro Fire Rescue is responsible for construction of any new fire and emergency facilities.

The Basic Systems Development Fee for 2021 will be based upon the 2019 Facility Plan effective August 1, 2021. The increase in fees assume a net increase in the estimated cost of facilities of 0.00%.

The fee structures used in the budget are as follows:

	2021 Budget	2021 Adopted August 1, 2021
Residential (per adjusted gross acre)	\$36,056	\$36,056
Non-residential (per adjusted gross acre)	\$32,051	\$32,051

The revenues generated from the above rates are estimated as follows:

	2021 Budget	2021 Projected	2022 Budget
Single Family Residential	\$ 300,000	\$ 94,513	\$ 200,000
Based on # of SF DUs	50	10	50
Multi Family Residential	\$ 112,000	\$ -	\$ 250,000
Based on # of MF DUs	175	154	125
Nonresidential	\$ -	\$ 84,166	\$ -
Based on # of Acres	0.0	2.6	0.0
Total	<u>\$ 412,000</u>	<u>\$ 178,679</u>	<u>\$ 450,000</u>

**HIGHLANDS RANCH METRO DISTRICT
MAJOR REPAIR FUND**

PROJECT	2021						
	Budget	Actuals			2022 Projected	2023 Projected	2024 Projected
		Appropriations Thru 9/30/21	Remaining	Total			
Illuminated Street Name Signs	\$ 40,000	\$ 47,000	\$ -	\$ 47,000	\$ 40,000	\$ 33,000	\$ 33,000
Parkway Fence Replacement Program							
Lucent West Side (Town Center to HRPkwy)	2,300 lf 210,000	1,423,691	-	1,423,691	-	-	-
Colorado - both sides from University to end	6,000 lf 547,000	-	-	-	-	-	-
South Ranch Rd. - both sides	3,000 lf 274,000	-	-	-	-	-	-
Venneford Ranch Rd. - University to Colorado	3,440 lf 314,000	-	-	-	-	-	-
Wildcat - both sides from HR Pkwy to Broadway	13,300 lf -	-	-	-	1,322,748	-	-
Wildcat - Stonbury Neighborhood	1,700 lf -	-	-	-	-	183,000	-
Wildcat - from MVHS to Fairview both sides	9,500 lf -	-	-	-	-	1,020,000	-
Wildcat - Fairview to University (both sides)	10,000 lf -	-	-	-	-	-	1,158,000
Total Parkway Fence Replacement Program	1,345,000	1,423,691	-	1,423,691	1,322,748	1,203,000	1,158,000
Entries & Medians							
Medians							
University Median (north tip)/North Median (north of Dad Clark Dr.	-	-	-	-	-	-	127,690
Total Entries & Medians	-	-	-	-	-	-	127,690
Park Improvements							
Redstone Parking Lot CS&TC and re-stripe	103,800	-	-	-	103,800	80,000	-
Green Ash St TC & CS and stripe	115,520	-	-	-	115,520	-	-
Mansion TC & CS and stripe	70,400	44,550	25,850	70,400	-	-	-
Highline Canal loc TC & CS Stripe	-	-	-	-	-	-	16,920
Falcon Pool lot	-	-	-	-	-	20,245	-
Falcon Park - parking lotTC & CS and stripe	-	-	-	-	20,800	-	-
Park sign replacements	-	-	-	-	-	-	75,000
Redstone ballfield lighting upgrades	-	-	-	-	600,000	-	-
Total Park Improvements	289,720	44,550	25,850	70,400	840,120	100,245	91,920
Playgrounds / Courts/ Turf							
Welte Park and Tanks Playground Replacement	-	-	-	-	-	200,000	-
Spring Gulch & Big Dry Playgrounds	-	-	-	-	-	-	400,000
Toepfer Park Playground Replacement	-	-	-	-	175,000	-	-
Plum Valley Playground Replacement	175,000	243,100	-	243,100	-	-	-
Marcy Park Court	-	-	-	-	180,000	-	-
Pronghorn Park Turf Replacement (shared with DCSD)	-	-	-	-	400,000	-	-
Plum Valley Court Concrete Replacement	-	-	-	-	75,000	-	-
Toepfer Court Replacement	-	-	-	-	-	50,000	-
Springer Court Replacement	-	-	-	-	-	-	84,000
Redtail concrete replacement	120,000	83,775	-	83,775	-	-	-
Shadow Mountain Emergency Repairs	-	22,500	60,000	82,500	-	-	-
Total Playgrounds/Courts/Turf	295,000	349,375	60,000	409,375	830,000	250,000	484,000

**HIGHLANDS RANCH METRO DISTRICT
MAJOR REPAIR FUND**

PROJECT	2021			2022 Projected	2023 Projected	2024 Projected	
	Budget	Actuals					
		Appropriations Thru 9/30/21	Remaining				Total
Restrooms							
Toepfer Park Restroom Replacement	-	-	-	45,000	-	-	
Foothills Park Restroom Replacement	-	-	50,000	-	-	-	
Spring Gulch Park Restroom Replacement	90,000	-	-	-	-	-	
Dad Clark Park Restroom Replacement	-	-	-	-	45,000	-	
Total Restrooms	90,000	-	50,000	45,000	45,000	-	
Building Improvements							
Service Center Improvement Plan	305,400	186,000	-	50,000	-	-	
Service Center Roof Replacement	-	-	-	-	255,000	-	
Parkway Landscape renovations							
Landscape conversion	-	-	-	400,000	400,000	400,000	
Quebec Median Renovation	-	-	-	-	300,000	-	
Trouble spot renovation	75,000	-	-	75,000	75,000	75,000	
Total Parkway Landscape Renovations	75,000	-	-	475,000	775,000	475,000	
TOTAL MAJOR REPAIR	\$ 2,440,120	\$ 2,050,616	\$ 135,850	\$ 2,186,466	\$ 3,602,868	\$ 2,406,245	\$ 2,369,610
CHANGES IN FUND BALANCE TO BE ASSIGNED							
Synthetic Turf Replacement - Pronghorn	\$ 15,000	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000

**HIGHLANDS RANCH METROPOLITAN DISTRICT
MISCELLANEOUS CAPITAL 2021-2022
Major Repair**

	2021 PROJECTED	2022			
		PARKS AND OPEN SPACE	PUBLIC WORKS	GENERAL MGMT.	CULTURAL
<i>942 TRANSPORTATION EQUIPMENT</i>					
Full Size Truck - Forestry		39,935			
Compact Truck - Sports Fields		38,005	-	-	-
Full Size Truck - Parks	14,880	36,000	-	-	-
New Compact Truck - Open Space		38,380			
Full Size Truck - Facilities		63,525	-	-	-
Compact Truck - Park Services	-	38,540	-	-	-
Compact Truck - PROS Managers	-	68,440	-	-	-
Compact Truck - Public Works	-		36,612	-	-
	<u>14,880</u>	<u>322,825</u>	<u>36,612</u>	<u>-</u>	<u>-</u>
<i>943 FIELD EQUIPMENT</i>					
Toro Grandstand mower	10,802	-	-	-	-
Pressure Washer with trailer	19,225	-	-	-	-
Toro Sand Pro infield groomer	26,566	-	-	-	-
Upfit - plow; flatbed dump		17,514	-	-	-
Hustler Trim Star 54" Mower		7,250	-	-	-
	<u>56,593</u>	<u>24,764</u>	<u>-</u>	<u>-</u>	<u>-</u>
 SUBTOTAL DIRECT CAPITAL PURCHASES	 <u>\$ 71,473</u>	 <u>\$ 347,589</u>	 <u>\$ 36,612</u>	 <u>\$ -</u>	 <u>\$ -</u>
 <i>Combined Total of Direct Purchases and Capital acquired under lease</i>					
Lease Payments	-	-	-	-	-
Capital acquired under lease	-	-	-	-	-
Direct capital purchases	71,473	347,589	36,612	-	-
	<u>\$ 71,473</u>	<u>\$ 347,589</u>	<u>\$ 36,612</u>	<u>\$ -</u>	<u>\$ -</u>

**HIGHLANDS RANCH METROPOLITAN DISTRICT
GENERAL GOVERNMENT CAPITAL PROJECTS SUMMARY**

	2021				2022		2023		2024		Remaining Future
	Budget	Actuals			Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected
		Appropriations thru 9/30/2021	Remaining	Expend. Offsets							
ARTERIAL ROADWAYS	115,000	-	-	-	150,000	-	75,000	-	-	-	-
PARKWAY LANDSCAPE	448,602	650,140	-	-	146,496	-	56,500	-	-	-	1,249,186
STORM DRAINAGE	-	-	-	-	-	-	-	-	-	-	-
TRAFFIC SIGNALS	318,000	-	-	-	-	-	-	-	500,000	-	587,500
PARKS											
BASIC PARK SYSTEM	-	-	-	-	-	-	-	-	-	-	-
MANSION AND HISTORIC PARK	-	-	-	-	-	-	1,000,000	-	-	-	724,177
TRAILS	71,500	-	-	-	71,500	-	-	-	-	-	-
COMMUNITY ENHANCEMENTS	2,899,606	1,002,037	-	(118,537)	14,678,500	-	-	-	-	-	58,460
	<u>\$ 3,852,708</u>	<u>\$ 1,652,177</u>	<u>\$ -</u>	<u>\$ (118,537)</u>	<u>\$ 15,046,496</u>	<u>\$ -</u>	<u>\$ 1,131,500</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 2,619,323</u>

**HIGHLANDS RANCH METRO DISTRICT
GENERAL GOVERNMENT CAPITAL PROJECTS**

	Prior years		2021				2022		2023		2024		Remaining Future	Removed from Plan
	Prior years Appropriation	Unexpended Appropriation	Actual			Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets			
			Budget	Appropriations Thru 9/30/2021	Remaining							Expend. Offsets		
ARTERIAL ROADWAYS														
STREETLIGHTS														
Plaza (W. of Lucent Blvd)	-	-	-	-	-	-	-	-	75,000	-	-	-	-	
Wildcat Reserve Parkway (east of Broadway)	-	-	115,000	-	-	-	150,000	-	-	-	-	-	-	
Total Arterial Roadways	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	
STORM DRAINAGE														
Pipe 51 Ph. I (Englewood Property)	790,630	-	-	-	-	-	-	-	-	-	-	-	-	
Pipe 51 Ph. II (Englewood Property)	1,311,585	1,037,607	-	-	-	-	-	-	-	-	-	-	-	
Pipe 51 Ph. III (Englewood Property)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pipe 79, Phase III (Filing 97 - N. of Salford)	467,403	17,808	-	-	-	-	-	-	-	-	-	-	-	
Total Storm Drainage	\$ 2,569,618	\$ 1,055,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CHANNEL STABILIZATION														
Otero Tributary / C-470 and County line	38,500	20,564	-	-	-	-	-	-	-	-	-	-	-	
Total Channel Stabilization	\$ 38,500	\$ 20,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TRAFFIC SIGNALS														
ARTERIAL/COLLECTOR														
University/White Bay	-	-	-	-	-	-	-	-	-	-	-	-	240,000	
Plaza / East Plaza Circle	-	-	-	-	-	-	-	-	-	-	-	500,000	-	
Plaza/ Falkel (near Avaya)	-	-	318,000	-	-	-	-	-	-	500,000	-	-	-	
Town Center/ Falkel	-	-	-	-	-	-	-	-	-	-	-	-	-	
County Line/ Verona	-	-	-	-	-	-	-	-	-	-	-	87,500	-	
Total Traffic Signals	\$ 38,500	\$ 20,564	\$ 318,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 587,500	\$ 240,000	
PARKS														
Basic Park System	-	-	-	-	-	-	-	-	-	-	-	-	-	
Historic Park	-	-	-	-	-	-	-	-	1,000,000	-	-	724,177	-	
Total Mansion and Historic Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 724,177	\$ -	
TRAILS														
Marcy Gulch	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.4.0 - 5200' W of Mountain Vista HS	-	-	71,500	-	-	-	71,500	-	-	-	-	-	-	
Total Trails	\$ -	\$ -	\$ 71,500	\$ -	\$ -	\$ -	\$ 71,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**HIGHLANDS RANCH METRO DISTRICT
GENERAL GOVERNMENT CAPITAL PROJECTS - COMMUNITY ENHANCEMENTS**

	2021			2022		2023		2024		Remaining Future
	Budget	Actuals		Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	
		Appropriations Thru 9/30/2021	Remaining							
COMMUNITY ENHANCEMENTS										
Fly'n B Park (Windcrest concurrency payment based)										
PHASE II - Fly'n B House, Parking & Site Improvements	\$ -	\$ 125,100	\$ -	\$ -	\$ 459,900	\$ -	\$ -	\$ -	\$ -	\$ -
Fly'n B House	50,000	-	-	-	-	-	-	-	-	-
Fly'n B House remodel	393,000	-	-	-	-	-	-	-	-	-
Fly'n B Park - Parking Lot	258,306	-	-	-	-	-	-	-	-	-
Fly'n B Park site improvements & root cellar stabilization	40,000	-	-	-	-	-	-	-	-	-
Fly'n B Park other improvements	81,300	-	-	-	-	-	-	-	-	-
Disc Golf	-	-	-	-	-	-	-	-	-	-
Senior Center	1,900,000	726,400	-	-	11,718,600	-	-	-	-	-
Pickelball Facility	-	-	-	-	2,500,000	-	-	-	-	-
Mansion Grounds/Historic Park (Douglas County Funding)										
Outbuilding improvements	177,000	118,537	-	(118,537)	-	-	-	-	-	58,460
Central Park	-	-	-	-	-	-	-	-	-	-
Veterans Monument: Brick paver/concrete paint repairs	40,000	32,000	-	(8,000)	-	-	-	-	-	-
License Plate Reader	-	108,285	-	-	-	-	-	-	-	-
TOTAL COMMUNITY ENHANCEMENTS	\$ 2,899,606	\$ 1,002,037	\$ -	\$ (118,537)	\$ 14,678,500	\$ -	\$ -	\$ -	\$ -	\$ 58,460

**HIGHLANDS RANCH METRO DISTRICT
GENERAL GOVERNMENT CAPITAL PROJECTS - PARKWAY LANDSCAPE**

	2021				2022		2023		2024		Remaining Future	Removed from Plan
	Budget	Actual		Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
		Appropriations Thru 9/30/2021	Remaining									
BUSINESS PARK - EXISTING DEVELOPMENT												
Lucent Median/Filing 145 Lot 1/Filing 149	\$ -	\$ 189,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medians Lucent - N. of Town Center (reimbursement)	-	-	-	-	-	-	-	-	-	-	-	-
Filing 145												
Lot 1 (D1)												
Plaza Drive (s) - Landscape	22,000	-	-	-	-	-	-	-	-	-	-	-
Plaza Drive (s) - Sidewalk	6,200	-	-	-	-	-	-	-	-	-	-	-
Filing 149 (Town Center North)												
Lot 1C-1B; 1D-1A; 1D-1B (Town CenterNorth)												
Lucent Blvd												
Landscape	22,000	-	-	-	-	-	-	-	-	-	-	-
Sidewalk	6,200	-	-	-	-	-	-	-	-	-	-	-
Town Center												
Landscape	16,775	-	-	-	-	-	-	-	-	-	-	-
Sidewalk	4,728	-	-	-	-	-	-	-	-	-	-	-
Lot 1C-2E												
Highlands Ranch Parkway												
Landscape	12,375	-	-	-	-	-	-	-	-	-	-	-
Sidewalk	3,488	-	-	-	-	-	-	-	-	-	-	-
Lucent Entry											72,000	-
Filing 153												
Lucent N of C-470 East Side												
Landscape	-	-	-	-	-	-	-	-	-	-	66,000	-
Sidewalk	-	-	-	-	-	-	-	-	-	-	18,600	-
Filing 134A - Childrens Hospital												102,415
Filing 140 - Lucent/Avaya site												
Plaza Drive - N. side - Lucent/Avaya site												
Lot 4											60,000	-
Filing 148 (Town Center East)												
Town Center												
Landscape	37,400	-	-	-	37,400	-	-	-	-	-	-	-
Sidewalk	10,546	-	-	-	10,546	-	-	-	-	-	-	-
Highlands Ranch Parkway												
Landscape	30,681	-	-	-	30,681	-	-	-	-	-	-	-
Sidewalk	8,649	-	-	-	8,649	-	-	-	-	-	-	-
Town Center Drive - West of Lucent - Corner to Lucent												
North Side - Filing 134-A, 6th												
Landscape	46,200	-	-	-	46,200	-	-	-	-	-	-	-
Sidewalk	13,020	-	-	-	13,020	-	-	-	-	-	-	-
TOTAL BUSINESS PARK - EXISTING DEVELOPMENT	\$ 240,262	\$ 189,540	\$ -	\$ -	\$ 146,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,600	\$ 102,415
BUSINESS PARK - BIG IDEA												
Englewood Property												
Lucent Blvd												

**HIGHLANDS RANCH METRO DISTRICT
GENERAL GOVERNMENT CAPITAL PROJECTS - PARKWAY LANDSCAPE**

	2021				2022		2023		2024		Remaining Future	Removed from Plan
	Budget	Actual		Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
		Appropriations Thru 9/30/2021	Remaining									
Landscape	-	-	-	-	-	-	-	-	-	-	68,750	-
Sidewalk	-	-	-	-	-	-	-	-	-	-	19,375	-
Towncenter Drive												
Landscape	-	-	-	-	-	-	-	-	-	-	119,507	-
TOTAL BUSINESS PARK - BIG IDEA	-	-	-	-	-	-	-	-	-	-	207,632	-
TOWN CENTER AREA - EXISTING DEVELOPMENT												
Filing 141A - (Town Center area)												
Lot 4B												
Landscape - HRP south side - Lucent to Hepburn	-	-	-	-	-	-	-	-	-	-	-	35,750
Sidewalk	-	-	-	-	-	-	-	-	-	-	-	10,075
Landscape - Lucnet est side - HRP to Mayberry	-	-	-	-	-	-	-	-	-	-	-	29,150
Sidewalk	-	-	-	-	-	-	-	-	-	-	-	8,215
TOTAL TOWN CENTER AREA - EXISTING DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	83,190
OTHER PROJECTS - NONRESIDENTIAL												
Filing 118L Lot 88 B (NE corner Bdwy/Wildcat)												
Wildcat												
Landscape	-	-	-	-	-	-	-	-	-	-	32,500	-
Filing 118-M (HRP/												
Lot 2												
HR Parkway												
Landscape	-	-	-	-	-	-	-	-	-	-	12,980	-
Lot 3												
Wildcat												
Landscape	-	-	-	-	-	-	-	-	-	-	12,620	-
Filing 105 - Lot 11												
Landscape	-	-	-	-	-	-	-	-	-	-	10,175	-
Sidewalk	-	-	-	-	-	-	-	-	-	-	2,868	-
TOTAL OTHER PROJECTS - NONRESIDENTIAL	-	-	-	-	-	-	-	-	-	-	71,143	-
OTHER PROJECTS - RESIDENTIAL												
Town Center Drive												
Ironwood to existing landscape												
Sidewalk	-	-	-	-	-	-	-	-	-	-	25,761	-
Ironwood to Cactus Bluff												
Sidewalk	-	-	-	-	-	-	-	-	-	-	19,065	-
Filing 132-A CIG to next lots- east side (CHCC site)												
Fairview												
Landscape	-	-	-	-	-	-	-	-	-	-	82,500	-
Sidewalk	-	-	-	-	-	-	-	-	-	-	-	-
Filing 122 Y Tracts B,J,I and portion of A & C												
Design	-	-	-	-	-	-	-	-	-	-	22,435	-
Landscape	-	-	-	-	-	-	-	-	-	-	-	-
Street Lights (moved to arterial roadways)												
Filing 118L Lot 88 B (NE corner Bdwy/Wildcat)	-	-	-	-	-	-	-	-	-	-	-	-

**HIGHLANDS RANCH METRO DISTRICT
GENERAL GOVERNMENT CAPITAL PROJECTS - PARKWAY LANDSCAPE**

	2021				2022		2023		2024		Remaining Future	Removed from Plan
	Actual											
	Budget	Appropriations Thru 9/30/2021	Remaining	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets	Projected	Expend. Offsets		
Broadway												
Landscape	-	-	-	-	-	-	-	-	-	-	30,800	-
Sidewalk	-	-	-	-	-	-	-	-	-	-	-	-
Hunting Hill - County Line Road	-	-	-	-	-	-	-	-	-	-	60,500	-
TOTAL OTHER PROJECTS - RESIDENTIAL	-	-	-	-	-	-	-	-	-	-	241,061	-
Metro District Sidewalk Construction Projects												
Wildcat Reserve Parkway (MVHS to Backcountry)/Mcarthur/Broadway	208,340	460,600	-	-	-	-	-	-	-	-	-	-
Plaza West of Lucent												
Plaza Drive Medians	-	-	-	-	-	-	-	-	-	-	136,000	-
Englewood	-	-	-	-	-	-	-	-	-	-	35,570	-
Fly'n B Park	-	-	-	-	-	-	-	-	-	-	24,700	-
Greensborough to Erickson - sidewalk - north side												
Children's Hospital	-	-	-	-	-	-	-	-	-	-	17,400	-
Plaza Circle to Plaza Circle	-	-	-	-	-	-	-	-	-	-	19,500	-
Solana to Highline Canal	-	-	-	-	-	56,500	-	-	-	-	-	-
Highline Canal to Erickson	-	-	-	-	-	-	-	-	-	-	20,000	-
Englewood - Greensborough to Shea Property north side	-	-	-	-	-	-	-	-	-	-	73,645	-
Shea property west of Greenborough	-	-	-	-	-	-	-	-	-	-	68,860	-
Plaza Drive - WTP Landscape only	-	-	-	-	-	-	-	-	-	-	98,816	-
Erickson between WTP and Fly'n B	-	-	-	-	-	-	-	-	-	-	18,260	-
TOTAL METRO DISTRICT PROJECTS	208,340	460,600	-	-	-	56,500	-	-	-	-	512,751	-
TOTAL ATERIAL LANDSCAPE	\$ 448,602	\$ 650,140	\$ -	\$ -	\$ 146,496	\$ -	\$ 56,500	\$ -	\$ -	\$ -	\$ 1,249,186	\$ 185,605

Appendix

HIGHLANDS RANCH METROPOLITAN DISTRICT
BOARD COMMUNICATION

DATE	SUBJECT	AGENDA NUMBER
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12/13/21

Approve 2022 Budget, Certify
The 2021 Mill Levy To Be Collected
In 2022 And Appropriate Funds

HRMD 21-174

INITIATED BY

Stephanie Stanley

STAFF RECOMMENDATION

Adopt Resolution No. 21-174 with the following actions:

- Adopt 2022 budget.
- Certify the 2021 Mill Levy to be collected in 2022
- Appropriate funds for the 2022 budget.
- Adopt Reserve Policies.

BACKGROUND INFORMATION

A preliminary budget dated October 15, 2021 was submitted to the Board of Directors. On November 5, 2021, District staff and the Board of Directors held a workshop to consider and adjust as necessary the 2021 budget, the 2022 proposed budget, and 2022 proposed rates and fees. In addition, a Public Hearing was held on November 30, 2021 on the 2022 Proposed Budget and fees including adjustments recommended during the workshops.

The proposed resolution is comprised of several parts, each of which must be adopted by the Board.

- 1) The first item is the adoption of the budget. Changes as the result of the workshop and updating of estimates have been made to the proposed budget. It is recommended that the budget be adopted incorporating the changes. Included in the budgeted amounts for revenue and expenditure in the District's Special Revenue Fund are the "pass-through" amounts of water and wastewater revenue that the District collects and then remits to Centennial Water & Sanitation District. The budget is based on the assumption that the rate increases will be adopted as proposed by the Centennial Board at their regularly scheduled meeting on December 14, 2021.
- 2) The second item requiring action relates to the establishment of the 2021 mill levy to be collected in 2022. The tax revenues for the district have been recalculated based on the final certified Assessed Values from the County Assessor. This item requires adoption of the resolution by the Board with authorization for the Director, Finance and Administration to certify the mill levy to the County Commissioners. The total mill levy is to be set at 11.205 mills as shown in the preliminary budget document.
- 3) The third item related to the budget is the appropriation of funds sufficient to implement the 2022 budget. This appropriation is required pursuant to state statutes.
- 4) The fourth item is the formal adoption of the Reserve policies that have been part of the budget for numerous years. Based on comments from Standard and Poor's as part of our rating reviews, these reserve policies are included in the budget resolution rather than just in the budget document.


MRR

DATE	SUBJECT	PAGE
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12/13/21

Approve 2022 Budget, Certify
The 2021 Mill Levy To Be Collected
In 2022 And Appropriate Funds

HRMD 21-174

FINANCIAL DETAILS

The 2022 proposed budget is summarized on the following exhibits:
Summary budget schedule – attached as Exhibit A to the Resolution
Multi-year leases status of appropriation – attached as Exhibit B to the resolution



SS

HIGHLANDS RANCH METROPOLITAN DISTRICT

RESOLUTION NO. 21-174

APPROVE 2022 BUDGET, CERTIFY THE 2021 MILL LEVY TO BE COLLECTED IN 2022 AND APPROPRIATE FUNDS

WHEREAS, staff has submitted a proposed 2022 budget to this Board on or before October 15, 2021 for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on November 30, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Highlands Ranch Metropolitan District:

1. That Estimated expenditures for each fund are as follows:

General Fund /Stormwater Operations	\$ 13,878,688
Special Revenue Funds	
Utility Special Revenue Fund	45,084,782
Recreation Special Revenue Fund	2,167,206
Mansion Special Revenue Fund	642,140
Conservation Trust Fund	835,000
Capital Projects Fund	20,569,565

2. That estimated revenues and other sources of funding for each fund are as follows:

General Fund	
From the general property taxes (net of treasurers fees & uncollectible estimates)	\$ 21,896,553
From sources other than general property taxes	905,400
From (to) interfund transfers	(7,294,208)
From (to) unappropriated surpluses	(1,833,578)
	<u>\$ 13,674,167</u>
Stormwater Management Fund	
From sources other than general property taxes	1,217,600
From (to) interfund transfers	(1,438,600)
From (to) unappropriated surpluses	425,520
	<u>\$ 204,520</u>
Utility Special Revenue Fund	
From sources other than general property taxes	\$ 42,757,225
From (to) interfund transfers	(6,100)
From (to) unappropriated surpluses	2,333,657
	<u>\$ 45,084,782</u>
Recreation Special Revenue Fund	
From sources other than general property taxes	1,581,900
From (to) interfund transfers	585,307
From (to) unappropriated surpluses	-
	<u>\$ 2,167,206</u>

Mansion Special Revenue Fund	
From sources other than general property taxes	512,600
From (to) interfund transfers	(56,600)
From (to) unappropriated surpluses	186,140
	<u>\$ 642,140</u>
Conservation Trust Fund	
From sources other than general property taxes	506,300
From (to) interfund transfers	-
From (to) unappropriated surpluses	328,700
	<u>\$ 835,000</u>
Capital Projects Fund	
From the general property taxes	\$ -
From sources other than general property taxes	1,600,550
From (to) interfund transfers	8,210,201
From (to) unappropriated surpluses	10,758,814
	<u>\$ 20,569,565</u>

3. That the budget, as submitted, amended including interfund transfers and herein summarized by fund and as shown on Exhibit A and Exhibit B, be, and the same hereby is, approved and adopted as the budget of the Highlands Ranch Metropolitan District for the 2022 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Secretary and/or General Manager of the District to all appropriate agencies and is made a part of the public records of the District.

SET MILL LEVIES

WHEREAS, District voters in the Consolidation Election authorized the consolidated Highlands Ranch Metropolitan District to levy as necessary each year a Mill Levy up to 19.75 mills for operating purposes, of which in 2021 the District would require only 18.205 mills if Fire Services were continued to be supplied by the District; and

WHEREAS, since the Fire Service obligation has been removed from Highlands Ranch Metropolitan District and this unification resulted in a reduction of 7.0 mills, the District will be utilizing only 11.205 mills for 2022 Operating purposes, and without further voter approval now maintains a new upper limit of 12.75 mills; and

WHEREAS, the gross amount of money from property taxes necessary to balance the budget for general operating expenses is \$20,658,353 prior to the netting of treasurer fees and estimated uncollectibles; and

WHEREAS, the 2021 valuation for assessment for the District, as certified by the Douglas County Assessor, is \$1,843,672,700; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Highlands Ranch Metropolitan District

1. That for the purposes of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 11.205 mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$20,658,353 in gross revenue and \$20,162,552 in net revenue.

2. That the Assistant Secretary and/or Director, Finance and Administration of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as herein above determined and set.

APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the District has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Highlands Ranch Metropolitan District that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

Funds Appropriated with Budget Adoption

General Fund	\$ 13,674,168
Stormwater Management Fund	\$ 204,520
Utility Special Revenue Fund	\$ 45,084,782
Recreation Special Revenue Fund	\$ 2,167,206
Mansion Special Revenue Fund	\$ 642,140
Major Repair Fund (Vehicle & Equipment Replacement)	\$ 384,201
Water & Wastewater Management	\$ 100,000
SUBTOTAL	\$ 62,257,017

RESERVES

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors has established the following policies for maintaining sufficient reserves for the operation of the District.

- The General Fund will maintain a fund balance (effectively working capital) equal to at least forty percent of the next year's estimated operating expenditures.

HIGHLANDS RANCH METROPOLITAN DISTRICT

RESOLUTION NO. 21-174

**APPROVE 2022 BUDGET, CERTIFY THE 2021 MILL LEVY TO BE COLLECTED IN 2022
AND APPROPRIATE FUNDS**

Adopted this 13th day of December, 2021

Ayes 6 Nays 0 Abstained _____ Absent 1

Certified by *Richard Lushan* Secretary

HIGHLANDS RANCH METROPOLITAN DISTRICT
ALL FUNDS
2020-2022

	GENERAL FUND		SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS		
	OPERATING	STORMWATER				Adopted 2022	Projected 2021	Actual 2020
REVENUES								
Taxes	\$ 21,896,553	\$ -	\$ -	\$ -	\$ -	\$ 21,896,553	\$ 20,760,746	\$ 20,675,020
Special Revenues								
Water & Wastewater Rate income	-	-	40,483,000	-	-	40,483,000	38,760,000	40,480,618
Stormwater fee	-	915,000	-	-	-	915,000	915,000	893,801
Street light fee	-	-	1,213,000	-	-	1,213,000	1,280,000	1,464,833
Conservation Trust Fund	-	-	500,000	-	-	500,000	571,000	535,673
Program revenues	-	-	1,981,900	-	-	1,981,900	1,568,230	833,523
Development Fees								
System Development Fees	-	-	-	-	450,000	450,000	178,679	1,011,493
Tap Fees	-	-	1,055,125	-	-	1,055,125	2,041,765	3,032,040
Other income								
Inter and intragovernmental	738,000	-	-	-	175,000	913,000	688,000	956,202
Contribution offsetting capital outlay	-	300,000	-	-	14,250	314,250	118,537	160,000
Miscellaneous - one-time	136,000	-	-	-	-	136,000	195,000	214,548
Miscellaneous - on-going	-	-	102,000	-	900,000	1,002,000	966,000	1,016,553
Net Investment Income	31,500	2,600	23,000	-	61,300	118,400	374,579	1,784,896
	<u>22,802,053</u>	<u>1,217,600</u>	<u>45,358,025</u>	<u>-</u>	<u>1,600,550</u>	<u>70,978,228</u>	<u>68,417,536</u>	<u>73,059,200</u>
EXPENDITURES								
Operations	13,621,068	204,520	4,034,056	-	-	17,859,644	16,169,687	15,052,484
General Government	-	-	-	-	-	-	500	300
Water and Wastewater	-	-	40,483,000	-	-	40,483,000	38,760,000	40,480,618
Debt Service	-	-	-	-	-	-	19,535,420	4,025,490
Capital Outlay								
Capital Projects	-	-	540,000	-	20,539,565	21,079,565	11,696,857	6,409,984
Intergovernmental	-	-	295,000	-	-	295,000	-	206,725
Reserved Capacity	-	-	3,336,782	-	-	3,336,782	1,116,004	1,813,004
	<u>13,621,068</u>	<u>204,520</u>	<u>48,688,838</u>	<u>-</u>	<u>20,539,565</u>	<u>83,053,991</u>	<u>87,278,468</u>	<u>67,988,606</u>
Revenue over (under) expenditures	<u>9,180,985</u>	<u>1,013,080</u>	<u>(3,330,813)</u>	<u>-</u>	<u>(18,939,015)</u>	<u>(12,075,763)</u>	<u>(18,860,932)</u>	<u>5,070,594</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers								
Interest income	6,100	-	(6,100)	-	-	-	-	-
General Fund to Stormwater Fund	2,600	(2,600)	-	-	-	-	-	-
General Fund to Special Revenue Fund	(528,707)	-	528,707	-	-	-	-	-
General Fund to Debt Service Fund	-	-	-	-	-	-	-	-
General Fund - Gen Gov Capital	(3,690,000)	-	-	-	3,690,000	-	-	-
General Fund to Major Repair Fund	(2,354,201)	-	-	-	2,354,201	-	-	-
General Fund to Water and Sewer Reserve	(700,000)	-	-	-	700,000	-	-	-
Stormwater Fund to Capital Projects Fund	-	(1,436,000)	-	-	1,436,000	-	-	-
Debt Service Fund to Capital Projects Fund	-	-	-	-	-	-	-	-
	<u>(7,264,208)</u>	<u>(1,438,600)</u>	<u>522,607</u>	<u>-</u>	<u>8,180,201</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES	<u>1,916,777</u>	<u>(425,520)</u>	<u>(2,808,206)</u>	<u>-</u>	<u>(10,758,814)</u>	<u>(12,075,763)</u>	<u>(18,860,932)</u>	<u>5,070,594</u>
FUND BALANCE - BEGINNING	<u>13,216,791</u>	<u>1,046,419</u>	<u>13,681,170</u>	<u>-</u>	<u>32,464,478</u>	<u>60,408,859</u>	<u>79,269,791</u>	<u>74,199,197</u>
FUND BALANCE - ENDING	<u>\$ 15,133,568</u>	<u>\$ 620,899</u>	<u>\$ 10,872,964</u>	<u>\$ -</u>	<u>\$ 21,705,664</u>	<u>\$ 48,333,096</u>	<u>\$ 60,408,859</u>	<u>\$ 79,269,791</u>

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EXHIBIT B
Multi-year leases status of appropriation

In the normal course of administrative operations, the District enters into multi-year lease agreements for printers, copiers and other office equipment. Below is a schedule of annual lease payments included in the 2021 budget. Some agreements have additional charges for overages on copies and therefore the amounts shown below may be variable. An estimated amount is included in the budget for these overages but not shown in the schedule below.

If the lease shows no 2022 payments it is due to either recommended termination or expiration of the lease agreement.

<u>Vendor</u>	<u>Equipment</u>	<u>2022</u> <u>Appropriations</u>
Toshiba	Toshiba Copier	42,000
Pitney Bowes	Postage Machine	-
All Copy	Toshiba Copier	7,800
Total		<u>\$ 49,800</u>

Many times, a lease is scheduled to terminate during the course of the business year. Under that circumstance a new lease will be bid consistent with District purchasing policy if the equipment meets the requirements and needs of the District.

Although District staff has attempted to summarize all of the multi-year leases it is possible that there are others that do exist. In that case the lease will terminate at the original termination date and be subject to a new lease agreement as described above.

HIGHLANDS RANCH METROPOLITAN DISTRICT
GLOSSARY

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<i>Enterprise Fund:</i>	In governmental accounting, a fund that provides goods or services to the public for a fee that makes the entity self-supporting.
<i>Facilities Plan</i>	The Facilities Plan collectively includes multiple sections. The section related to the base infrastructure development requirements is, pursuant to the Highlands Ranch Metropolitan District IGA, the singular Facility Plan. In addition, there are sections for the Conservation Trust Fund, community enhancement and major repair related capital.
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<i>Water Acquisition Fee:</i>	A portion of the tap fee paid by developers prior to installation of the tap. The fee is designed to generate revenues to develop additional water resources such as acquisition of water rights, construction of storage reservoirs, and other associated projects.

Highlands Ranch Metro District – Priority Based Budgeting: Result Areas

Well planned and maintained facilities and infrastructure	Safe and Prepared Community	Cultural and Recreational Opportunities for all ages	Attractive and Healthy Place to Live	Governance
...well-maintained quality facilities and infrastructure to support quality neighborhoods and businesses	...prepared to respond to emergencies	...provides a variety of park experiences	...promotes clean, safe, well maintained and attractive public spaces	...maintains regulatory compliance
...plans regionally with partners	...protects properties	...creates recreational opportunities for all ages	...provides and maintains attractive parks and open space	...assists and supports decision makers
...works with partners to support access to multi-modal travel options	...protects the environment	...encourages active lifestyle	...conserves natural resources	...stewardship of financial, human and physical resources
...supports enabling affordable, high-speed internet access/ cellular communication	...supports access to safe drinking water	...supports accessible parks, trails and open space	...provides attractive parkways	...attracts, develops and retains talented staff
...contributes to efficient water and sewer system	...engages in emergency preparation and service delivery with partners	...creates and supports opportunities for cultural and educational enrichment	...partners to ensure clean stormwater runoff	...enhances accountability and transparency in operations
...ensures the character and value of the community is preserved	...supports safe travel, adequate lighting	...provides and supports community events	...participates in programs and services to support community wellbeing	...implements best practices in public administration and customer service
...supports our history and historic buildings	...works with partners to support quality fire, EMT and law enforcement services	...encourages community engagement		...deliver services and programs in a cost effective manner
...utilize innovative planning tools and leverage technology for best use of our resources to maintain our assets	...utilize best practices and implement innovative policies and technology solutions wherever feasible to support emergency management	...apply forward-leaning creativity and innovative practices in development of high quality programs	...use of innovative solutions for planning and maintenance to support high quality of life for residents and businesses	...use of innovative solutions wherever possible to improve efficiencies of programs and services delivered and support decision making

2022 Budget Requests

Vehicles and Equipment - Replacement

Description	Objective	One-Time/ On going	Cost	Offset	Net
Full Size Truck - Facilities	Replacement	one-time	63,525	(5,000)	58,525
Compact Truck - Park Services	Replacement	one-time	38,540	(5,000)	33,540
Compact Truck - PROS Manager	Replacement	one-time	68,440	(3,000)	65,440
Uplift - Pool Vehicle	Replacement	one-time	17,514	-	17,514
Compact Truck	Replacement	one-time	36,612	(1,000)	35,612
Hustler Trim Mower	Replacement	one-time	7,250	(250)	7,000
TOTAL			231,881	(14,250)	217,631

Recreation/ Park Services

Description	Objective	One-Time/ On going	Cost	Offset	Net
Full Time Park Servies Position	increase support by reducing seasonal staff	on-going	71,280	(51,520)	19,760
Turf Tank field painter contract	reduce seasonal employee needs	on-going	10,000	(31,200)	(21,200)
Northridge Fields #2 and #3 Renovation	maintain public safety and gameplay	one-time	7,500	-	7,500
Tennis Court Resurfacing	maintain court integrity and playability	one-time	21,000	-	21,000
TOTAL			109,780	(82,720)	27,060

Mansion

Bat Mitigation	Annual bat extermination	on-going	7,500	-	7,500
Wood Floor Resurfacing	woord floor maintenance	one-time	12,000	-	12,000
Mansion facility repairs	toilet replacement; lead glass	one-time	3,500	-	3,500
Interior Painting	year 3 of repainting mansion	one-time	12,790	-	12,790
Technology Upgrades - Carry over from 2021	upgrade technology resources for efficiency	one-time	4,500	-	4,500
TOTAL			40,290	-	40,290

Operations

Description	Objective	One-Time/ On going	Cost	Offset	Net
Increase 457 Match by 2%	Assist in recruiting and employee retention	on-going	120,000	-	120,000
One-time salary adjustments	To aide in employee retention	one-time	104,000	-	104,000
Election	Fund 2022 election	on-going	44,000	(40,000)	4,000
Video for Board Meetings	Increase transparency and access for the public	on-going	10,800	-	10,800
Senior Center Marketing	info for public including meetings and presentations	one-time	5,000	-	5,000
Irrigation Coordinator - Reassign existing techs	oversight of district's irrigation system	on-going	4,000	-	4,000
Open Space Technition I inc. Vehicle	assist with maintenance & mgmt of open space	on-going	123,620	(12,500)	111,120
Painting & Staining - Building Maintenance	maintenance and repair	one-time	65,400	-	65,400
PROS Asset Management Software	operational efficiency, est. ongoing \$73,000	on-time	143,629	-	143,629
Russian Olive Incentive Program	incentivise residents to replace tree with new species	on-going	5,000	-	5,000
TOTAL			625,449	(52,500)	572,949

Board Member Requests

Description	Objective	One-Time/ On going	Cost	Offset	Net
Foothills - Two Rail Fence; funded by other sources					
Shovels for Dog parks; funded by other sources					
Trail Conversion - Foothills social path		One-Time	11,000		11,000
Diggers Dog Park - Trees		One-Time	2,100		2,100
Trail Conversion - Rovers Run		One-Time	27,300		27,300
Shade Structures					
TOTAL			40,400	-	40,400

2022 Budget Requests

Vehicles and Equipment - New						
Description	Objective	One-Time/ On going	Cost	Offset	Net	
Snowblower attachment	new equipment	one-time	43,988	-	43,988	
Toro stand-on aerator and spreader	new equipment	one-time	25,966	(3,000)	22,966	
TOTAL			69,954	(3,000)	66,954	

Highlands Ranch Metro District
Fee Schedule

Exhibit C

The Highlands Ranch Metropolitan District receive revenue from a variety of sources that are based on fees paid by the users of various facilities. The Districts also operate a Recreation program for adult and youth sports that is funded primarily from user fees. The following tables show the fee schedules that were used in construction of the 2021 budget. These fees are budgeted and accounted for with the Master Budget Internal Service Fund. The fees shown are preliminary, subject to change at any time with the Board of Directors' approval. Revenue related to the provision of utility services (water and wastewater, street lights) is budgeted and accounted for within the Special Revenue funds of each Metropolitan District and are detailed in those sections of each Districts' budget.

Facility Use / Program	2022 Fees			2021 Fees		
	Resident	Non-Resident		Resident	Non-Resident	
Neighborhood Park Shelters (2-Hour Minimum)	\$ 18	\$ 27	per hour	\$ 18	\$ 27	per hour
Community Park Shelters (2-Hour Minimum)	\$ 30	\$ 45	per hour	\$ 30	\$ 45	per hour
Civic Green Amphitheater:						
Stage Shelter	\$ 50	\$ 75	per hour	\$ 50	\$ 75	per hour
Plaza/Stage	\$ 110	\$ 165	per hour	\$ 110	\$ 165	per hour
Amphitheater	\$ 150	\$ 225	per hour	\$ 150	\$ 225	per hour
Metro District Staff Support for Events	\$ 25	\$ 25	per hour	\$ 25	\$ 25	per hour
Parking Lots	\$ 8	\$ 12	per hour	\$ 8	\$ 12	per hour
Public Event Impact Fee:						
Not for Profit	\$125/event + \$25 additional days			\$125/event + \$25 additional days		
For Profit	\$350/event - \$50 additional days			\$350/event - \$50 additional days		
Community Gardens	\$ 50	\$ 58	per season	\$ 50	\$ 58	per season
Permits:						
Vending Permit	\$ 35	\$ 35	one day	\$ 35	\$ 35	one day
Access Permit	\$ 15	\$ 23	per event	\$ 15	\$ 23	per event
Special Event Permit (75+)	\$ 45	\$ 45	per event	\$ 45	\$ 45	per event
Race Application	\$ 30	\$ 30	per event	\$ 30	\$ 30	per event
Staking Management Fee	\$ 75	\$ 75	per event	\$ 75	\$ 75	per event
Commercial Drone Permit	\$ 15	\$ 15	per event	\$ 15	\$ 15	per event

Highlands Ranch Metro District
Fee Schedule

Exhibit C

Facility Use / Program	2022 Fees			2021 Fees		
	Resident	Non-Resident		Resident	Non-Resident	
Disc Golf Tag Fee (outside groups)	\$ 10	\$ 15	per event	\$ 10	\$ 15	per event
Disc Golf Small Tournament (outside group)	\$ 40	\$ 60	per event	\$ 40	\$ 60	per event
Disc Golf Large Tournament (outside group)	\$ 100	\$ 150	per event	\$ 100	\$ 150	per event
Disc Golf Private Instruction:						
Single Session	\$ 30	\$ 25	per session	\$ 25	\$ 30	per session
Season	\$ 175	\$ 150	per session	\$ 150	\$ 175	per session
Sesonal Park Instruction Fee:						
Up to 16 hours per Month	\$ 150	\$ 225	per month			
More than 16 hours per Month	\$ 250	\$ 375	per month			
Sports Fields (Park and School Fields)	\$ 18	\$ 27	per hour	\$ 16	\$ 24	per hour
Lighted Baseball Fields (2-Hour Minimum)	\$ 30	\$ 45	per hour	\$ 30	\$ 45	per hour
Shea Stadium (3-Hour Minimum):	\$ 110	\$ 165	per hour	\$ 110	\$ 165	per hour
Shea - practice only	\$ 46	\$ 69	per hour	\$ 46	\$ 69	per hour
Stadium Staffing Fee	\$ 25	\$ 25	per hour	\$ 25	\$ 25	per hour
Field Prep Fee:				\$ 35	\$ 35	per prep.
Baseball/Softball	\$ 36	\$ 36	per prep.	\$ 75	\$ 75	per prep.
Football/Soccer	\$ 75	\$ 75	per prep.			
Basketball Courts	\$ 5	\$ 8	per hour	\$ 5	\$ 8	per hour
In-Line Rink	\$ 20	\$ 30	per hour	\$ 20	\$ 30	per hour
Pickleball Courts	\$ 6	\$ 9	per hour	\$ 6	\$ 9	per hour & 1/2
Bocce Ball / Horseshoe Courts	\$ 6	\$ 9	per hour	\$ 6	\$ 8	per hour
Picnic packs	\$ 25	\$ 29	avg. per rental	\$ 25	\$ 25	avg. per rental
Picnic Packs Volleyball	\$ 42	\$ 48	per rental	\$ 42	\$ 48	per rental
Picnic packs Cornhole	\$ 35	\$ 40	per rental	\$ 35	\$ 40	per rental

Highlands Ranch Metro District
Fee Schedule

Exhibit C

Facility Use / Program	2022 Fees			2021 Fees		
	Resident	Non-Resident		Resident	Non-Resident	
Adult Softball:						
Spring	\$ 435	\$ 435	per team	\$ 425	\$ 425	per team
Summer	\$ 700	\$ 700	per team	\$ 685	\$ 685	per team
Fall	\$ 500	\$ 500	per team	\$ 495	\$ 495	per team
Disc Golf Intro Clinics:						
Youth	\$ 15	\$ 18	per clinic	\$ 15	\$ 18	per clinic
Adult	\$ 20	\$ 23	per clinic	\$ 20	\$ 23	per clinic
Disc Golf Lesson:						
Youth	\$ 45	\$ 52	per clinic	\$ 45	\$ 52	per clinic
Adult	\$ 60	\$ 69	per clinic	\$ 60	\$ 69	per clinic
Adult Bocce Ball Leagues	\$ 40	\$ 40	per participant	\$ 40	\$ 40	per participant
Pickleball league	\$ 45	\$ 45	per participant	\$ 45	\$ 45	per participant
Pickleball/Bocce Ball Clinic	\$ 18	\$ 18	per participant	\$ 18	\$ 18	per participant
Youth Recreational Baseball/T-Ball:						
Club	\$ 86	\$ 99	per participant	\$ 78	\$ 90	per participant
Coed Tee-Ball	\$ 96	\$ 110	per participant	\$ 87	\$ 100	per participant
Boys 7 year old	\$ 120	\$ 138	per participant	\$ 95	\$ 109	per participant
Boys 8 year old	\$ 138	\$ 158	per participant	\$ 119	\$ 137	per participant
Boys 9 year old	\$ 150	\$ 172	per participant	\$ 125	\$ 144	per participant
Boys 10 year old	\$ 150	\$ 172	per participant	\$ 125	\$ 144	per participant
Boys 11-12 year old	\$ 165	\$ 190	per participant	\$ 137	\$ 157	per participant
Boys 13-14 year old	\$ 165	\$ 190	per participant	\$ 137	\$ 157	per participant
Girls 5-6 year old	\$ 96	\$ 110	per participant	\$ 87	\$ 100	per participant
Girls 7 year old	\$ 120	\$ 138	per participant	\$ 95	\$ 109	per participant
Girls 8 year old	\$ 120	\$ 138	per participant	\$ 106	\$ 122	per participant
Girls 9-10 year old	\$ 150	\$ 172	per participant	\$ 125	\$ 144	per participant
Girls 11-12 year old	\$ 165	\$ 190	per participant	\$ 137	\$ 157	per participant
Girls 13-14 year old	\$ 165	\$ 190	per participant	\$ 137	\$ 157	per participant

Highlands Ranch Metro District
Fee Schedule

Exhibit C

Facility Use / Program	2022 Fees			2021 Fees		
	Resident	Non-Resident		Resident	Non-Resident	
Fall League Team Fee 9 to 10 year old	\$ 1,850	\$ 1,850	per team	\$ 1,800	\$ 1,800	per team
Team fee 7 to 8 year old	\$ 1,650	\$ 1,650	per team	\$ 1,600	\$ 1,600	per team
Team fee 11 to 14 year old	\$ 2,000	\$ 2,000	per team			
Golf	\$ 175	\$ 190	per participant	\$ 165	\$ 190	per participant
Youth Flag Football:						
Fall	\$ 142	\$ 163	per participant	\$ 112	\$ 129	per participant
Fall K/1	\$ 117	\$ 135	per participant			
Spring	\$ 96	\$ 110	per participant	\$ 90	\$ 104	per participant
YouthSkate Park	\$ 30 - \$ 120		per participant	\$ 30 - \$ 120		per participant
Lacrosse	\$ 75 to \$ 120	\$ 86 to \$ 138	Range	\$ 135	\$ 155	per participant
Track & Field CARA	\$ 120	\$ 138	per participant	\$ 100	\$ 115	per participant
CARA Cross Country	\$ 83	\$ 72	per participant	\$ 68	\$ 78	per participant
Rugby	\$ 185 to \$ 220	\$ 213 to \$ 253	per participant	\$ 45 to \$ 200	\$ 52 to \$ 230	per participant
Recreation Program late fees	\$ 15	\$ 15	per participant	\$ 15	\$ 15	per participant
Youth Sports Camps and Summer sports programs	2022 Fee Range \$79 - \$200					
Outdoor Education Programs	2022 Fee Range \$10 to \$12workshops, \$130 camp;					
	Horseback programs range from \$51 to \$195					
Misc. Adult Sports	2022 Fee Range \$40 - \$165 per person \$175 - \$425 Per league					
Batting Cages						
Senior Services/Education	2022 Fees Range \$5 - \$100					

Fee Schedule

2022



Peak Season: May-October, December

Sunday
\$5,700

Monday-Thursday
\$4,000

Friday
\$6,200

Saturday
\$7,300

Off-Peak Season: January-April, November

Sunday
\$4,000

Monday-Thursday
\$2,900

Friday
\$5,100

Saturday
\$6,200



Rachel Grammes

* Rates are subject to change.

Rates are for a five-hour event; additional event time may be purchased. Rental fee includes three hours before your event time for client access and vendor setup, in addition to two hours after your event time for cleanup.

An additional damage deposit is required.

Holidays that fall on Monday-Thursday will be priced the same as Sundays during the respective season.



Please call or check our website for public hours

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HIGHLANDS RANCH METROPOLITAN DISTRICT

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