

LETTER OF BUDGET TRANSMITTAL

Date: January 28, 2022

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2022 budget and budget message for LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2 in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 26, 2021. If there are any questions on the budget, please contact:

Jason Carroll, District Accountant
CliftonLarsonAllen LLP
8390 E. Crescent Pkwy., Suite 500
Greenwood Village, CO 80111
Telephone number: 303-779-5710

I, Jason Carroll, District Accountant of the Littleton Village Metropolitan District No. 2 hereby certify that the attached is a true and correct copy of the 2022 budget.

By: 

Jason Carroll, District Accountant

RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS
(2022)

The Board of Directors of the Littleton Village Metropolitan District No. 2 (the “**Board**”), City of Littleton, of Arapahoe County, Colorado (the “**District**”) held a regular meeting held via teleconference on October 26, 2021, at the hour of 5:30 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2022 BUDGET

**NOTICE OF PUBLIC HEARING ON THE AMENDED 2021 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE PROPOSED 2022 BUDGET**

NOTICE IS HEREBY GIVEN that the Board of Directors (the “Board”) of the LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2 (the “District”), will hold a meeting via teleconference on Tuesday, October 26, 2021 at 5:30 P.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2021 amended budget (the “Amended Budget”) and 2022 proposed budget (the “Proposed Budget”). This meeting can be joined using the following teleconference information: https://teams.microsoft.com/l/meetup-join/19%3ameeting_Nzk2ZjgwYTAzMWRhNi00ODEwLWFjNDItYmYwZDk1NzNkMjMw%40thead.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2216b1c71c-d483-4feb-8929-2d72ea1cdf59%22%7d,
Conference ID: 133 076 736#, Phone number: 1-720-547-5281.

NOTICE IS FURTHER GIVEN that Amended Budget and Proposed Budget have been submitted to the District. A copy of the Amended Budget and the Proposed Budget are on file in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Pkwy., Ste. 300, Greenwood Village, Colorado 80111, where the same are open for public inspection.

Any interested elector of the District may file any objections to the Amended Budget and Proposed Budget at any time prior to final adoption of the Amended Budget and Proposed Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:
LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2

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

Published in: Littleton Independent
Published on: October 21, 2021

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 26, 2021, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2022. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 11.132 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2022 budget year, there is hereby levied a tax of

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

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Arapahoe County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

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

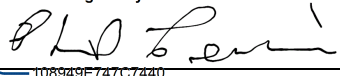
Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED THIS 26TH DAY OF OCTOBER, 2021.

LITTLETON VILLAGE METROPOLITAN DISTRICT
NO. 2

DocuSigned by:

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Officer of the District


ATTEST:

DocuSigned by:

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APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

DocuSigned by:

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General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on Tuesday, October 26, 2021, via teleconference as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 26th day of October, 2021.


DocuSigned by:

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EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

Littleton Village Metropolitan District No. 2
Annual Budget
For Year Ending December 31, 2022

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/2022

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES | \$ 1,488,538 | \$ 1,683,452 | \$ 2,204,588 |
| REVENUES | | | |
| Property taxes | 817,035 | 1,049,628 | 1,177,935 |
| Specific ownership taxes | 57,912 | 72,100 | 82,455 |
| Net investment income | 9,763 | 1,050 | 2,100 |
| Administrative fee | - | 4,140 | 4,140 |
| Maintenance fees | - | 392,000 | 422,000 |
| Domestic water fee | - | 35,000 | 38,000 |
| Other revenue | - | 100 | - |
| Transfer from District No. 3 | 160,219 | 175,179 | 176,243 |
| Public improvement fees | 35,693 | 40,000 | 45,000 |
| Transfer from District No. 1 | - | 104,091 | - |
| Total revenues | <u>1,080,622</u> | <u>1,873,288</u> | <u>1,947,873</u> |
| Total funds available | <u>2,569,160</u> | <u>3,556,740</u> | <u>4,152,461</u> |
| EXPENDITURES | | | |
| General Fund | 175,146 | 127,417 | 180,000 |
| Maintenance Fund | - | 413,720 | 460,000 |
| Debt Service Fund | 710,562 | 811,015 | 1,254,000 |
| Total expenditures | <u>885,708</u> | <u>1,352,152</u> | <u>1,894,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>885,708</u> | <u>1,352,152</u> | <u>1,894,000</u> |
| ENDING FUND BALANCES | <u>\$ 1,683,452</u> | <u>\$ 2,204,588</u> | <u>\$ 2,258,461</u> |
| REQUIRED RESERVE - SERIES 2015 | \$ 880,075 | \$ 880,075 | \$ 880,075 |
| SURPLUS RESERVE - SERIES 2015 | 703,377 | 1,083,000 | 1,083,000 |
| ESCROW RESERVE | 100,000 | - | - |
| EMERGENCY RESERVE | - | 6,800 | 7,600 |
| TOTAL RESERVE | <u>\$ 1,683,452</u> | <u>\$ 1,969,875</u> | <u>\$ 1,970,675</u> |

No assurance provided. See summary of significant assumptions.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/14/2022

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|--------------------------------|----------------------|----------------------|----------------------|
| ASSESSED VALUATION | | | |
| Residential | \$ 14,054,685 | \$ 18,271,770 | \$ 20,537,137 |
| Commercial | 292,746 | 300,468 | 303,471 |
| State assessed | 333,620 | 284,160 | 320,860 |
| Vacant land | 435 | 435 | 435 |
| Certified Assessed Value | \$ 14,681,486 | \$ 18,856,833 | \$ 21,161,903 |
| | | | |
| MILL LEVY | | | |
| General | 11.132 | 11.132 | 11.132 |
| Debt Service | 44.531 | 44.531 | 44.531 |
| Total mill levy | 55.663 | 55.663 | 55.663 |
| | | | |
| PROPERTY TAXES | | | |
| General | \$ 163,434 | \$ 209,914 | \$ 235,574 |
| Debt Service | 653,781 | 839,714 | 942,361 |
| Levied property taxes | 817,215 | 1,049,628 | 1,177,935 |
| Adjustments to actual/rounding | (180) | - | - |
| Budgeted property taxes | \$ 817,035 | \$ 1,049,628 | \$ 1,177,935 |
| | | | |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ 163,398 | \$ 209,914 | \$ 235,574 |
| Debt Service | 653,637 | 839,714 | 942,361 |
| | \$ 817,035 | \$ 1,049,628 | \$ 1,177,935 |

No assurance provided. See summary of significant assumptions.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/14/2022

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|----------------|-------------------|-------------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ 97,047 |
| REVENUES | | | |
| Property taxes | 163,398 | 209,914 | 235,574 |
| Specific ownership taxes | 11,582 | 14,400 | 16,490 |
| Net investment income | 166 | 50 | 100 |
| Other revenue | - | 100 | - |
| Total revenues | <u>175,146</u> | <u>224,464</u> | <u>252,164</u> |
| Total funds available | <u>175,146</u> | <u>224,464</u> | <u>349,211</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fees | 2,452 | 3,149 | 3,534 |
| Accounting | - | 38,000 | 42,000 |
| Audit | - | 3,500 | 4,000 |
| Dues and licenses | - | 768 | 1,000 |
| District management | - | 35,000 | 38,000 |
| Legal services | - | 30,000 | 50,000 |
| Election expense | - | - | 10,000 |
| Contingency | - | 2,000 | 6,466 |
| District No. 1's expenses | - | - | 25,000 |
| Transfer to District No. 1 | 172,694 | 15,000 | - |
| Total expenditures | <u>175,146</u> | <u>127,417</u> | <u>180,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>175,146</u> | <u>127,417</u> | <u>180,000</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ 97,047</u> | <u>\$ 169,211</u> |
| EMERGENCY RESERVE | <u>\$ -</u> | <u>\$ 6,800</u> | <u>\$ 7,600</u> |
| TOTAL RESERVE | <u>\$ -</u> | <u>\$ 6,800</u> | <u>\$ 7,600</u> |

No assurance provided. See summary of significant assumptions.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
MAINTENANCE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/14/2022

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ 121,511 |
| REVENUES | | | |
| Administrative fee | - | 4,140 | 4,140 |
| Maintenance fees | - | 392,000 | 422,000 |
| Domestic water fee | - | 35,000 | 38,000 |
| Transfer from District No. 1 | - | 104,091 | - |
| Total revenues | - | 535,231 | 464,140 |
| TRANSFERS IN | | | |
| Total funds available | - | 535,231 | 585,651 |
| EXPENDITURES | | | |
| General and administrative | | | |
| Billing services | - | 30,000 | 33,000 |
| Insurance and bonds | - | 15,075 | 16,000 |
| Property management | - | 35,000 | 38,000 |
| Contingency | - | 3,000 | 6,500 |
| Operations and maintenance | | | |
| Electricity and utility inspections | - | 1,000 | 1,500 |
| Pet waste removal | - | 8,000 | 9,000 |
| Irrigation repairs | - | 18,000 | 20,000 |
| Domestic water | - | 35,000 | 38,000 |
| Irrigation water | - | 40,000 | 42,000 |
| Snow removal | - | 80,000 | 90,000 |
| Trash | - | 44,000 | 48,000 |
| Landscape maintenance | - | 80,000 | 88,000 |
| Landscape repairs | - | 24,645 | 30,000 |
| Total expenditures | - | 413,720 | 460,000 |
| Total expenditures and transfers out requiring appropriation | - | 413,720 | 460,000 |
| ENDING FUND BALANCES | \$ - | \$ 121,511 | \$ 125,651 |

No assurance provided. See summary of significant assumptions.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/14/2022

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|---------------------|---------------------|---------------------|
| BEGINNING FUND BALANCES | \$ 1,488,538 | \$ 1,683,452 | \$ 1,986,030 |
| REVENUES | | | |
| Property taxes | 653,637 | 839,714 | 942,361 |
| Specific ownership taxes | 46,330 | 57,700 | 65,965 |
| Net investment income | 9,597 | 1,000 | 2,000 |
| Transfer from District No. 3 | 160,219 | 175,179 | 176,243 |
| Public improvement fees | 35,693 | 40,000 | 45,000 |
| Total revenues | <u>905,476</u> | <u>1,113,593</u> | <u>1,231,569</u> |
| Total funds available | <u>2,394,014</u> | <u>2,797,045</u> | <u>3,217,599</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fees | 9,809 | 12,596 | 14,135 |
| Paying agent fees | 4,100 | 7,000 | 7,000 |
| Contingency | - | - | 5,147 |
| PIF collection fee | 2,855 | 2,500 | 3,000 |
| Debt Service | | | |
| Bond interest - Series 2015 | 578,350 | 572,169 | 565,718 |
| Bond principal - Series 2015 | 115,000 | 120,000 | 140,000 |
| Bond interest - Series 2018B | - | 96,750 | 519,000 |
| Capital outlay - Dog Park | 448 | - | - |
| Total expenditures | <u>710,562</u> | <u>811,015</u> | <u>1,254,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>710,562</u> | <u>811,015</u> | <u>1,254,000</u> |
| ENDING FUND BALANCES | <u>\$ 1,683,452</u> | <u>\$ 1,986,030</u> | <u>\$ 1,963,599</u> |
| REQUIRED RESERVE - SERIES 2015 | \$ 880,075 | \$ 880,075 | \$ 880,075 |
| SURPLUS RESERVE - SERIES 2015 | 703,377 | 1,083,000 | 1,083,000 |
| ESCROW RESERVE | 100,000 | - | - |
| TOTAL RESERVE | <u>\$ 1,683,452</u> | <u>\$ 1,963,075</u> | <u>\$ 1,963,075</u> |

No assurance provided. See summary of significant assumptions.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Arapahoe County on February 12, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on September 5, 2006, and as modified on September 3, 2013. The District's service area is located entirely within the City of Littleton, Arapahoe County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including water, sanitation, streets, safety protection, storm drainage, covenant enforcement and design review services, and parks and recreation facilities.

On November 5, 2013 the District's voters approved for an annual increase in taxes and public improvements fees of \$5,000,000 each for general operations and maintenance and \$40,000,000 for payment due pursuant to intergovernmental agreements (IGA). The District also approved general obligation indebtedness of \$40,000,000 for each of the following: street improvements, parks and recreation facilities, a potable and non-potable water supply, a sanitation system, a transportation system, mosquito control facilities, traffic and safety controls, fire protection, television relay and translation system, security services, and debt refinancing. Additionally, the District's electors authorized the District to collect, retain and spend all revenue annually, other than ad valorem taxes, without regard to limitations under TABOR.

The District's service plan limits the total debt issuance to \$40,000,000. The Maximum Debt Mill Levy the District is permitted to impose is 50.000 mills for any Debt which exceeds fifty percent of the District's assessed valuation. For the portion of any Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification of the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues – (continued)

election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District's Service Plan provides that the District's mill levy may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation, so that, to the extent possible, the actual revenues generated are neither diminished or enhanced as a result of such changes. Among other adjustments, a change in the ratio of actual valuation of assessable property (assessment ratio) shall be deemed a change in method of calculating assessed valuation.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

Public Improvement Fees

The District charges public improvement fees (PIF). The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sales of good at a rate of .75%, in addition to all the sales and use taxes that maybe imposed and is collected by the retailers in the District and remitted to the District within 20 days after the month end.

Maintenance Fees

The District established a maintenance fee of \$208 per quarter for each Single-Family residential unit, \$278 per quarter for each Multi-Family residential unit, \$69 per quarter for each condo/apartment unit, and \$126 per quarter for each vacant lot. The maintenance fee revenue is used for the purpose of paying direct and indirect costs related to the facilities and maintenance services.

Domestic Water Fees

The District established a domestic water fee of \$69 per quarter for each Multi-Family residential unit. The domestic water fee revenue is used for the purpose of paying the domestic water expenses paid for by the District.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Administrative Fees

The District established an administrative fee of \$2.50 per month for each Multi-Family residential unit. The administrative fee revenue is used for the purpose of defraying the cost of providing administrative services provided by the District.

Transfer from District No. 3

Pursuant to the Capital Pledge Agreement, entered into on June 6, 2014 and amended on September 1, 2018, between the District and District No. 3, District No. 3 is obligated to impose ad valorem property taxes for the payment of the Series 2014 Special Revenue Bonds, Series 2015 Senior Bonds, and Series 2018B Subordinate Limited Bonds.

Expenditures

Treasurer's Fees

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

Debt Service

Principal and interest payments in 2022 are provided based upon the debt amortization schedule from the Series 2015 Bonds discussed under Debt and Leases. Additionally, payments on Series 2014A, 2014B and 2018B Bonds are based on the amount of funds available. Therefore, a scheduled amortization has not been included in the budget.

Debt and Leases

Special Revenue Bonds, Series 2014

On June 4, 2014, the District authorized the issuance of Special Revenue Bonds, Series 2014A (the "Bonds") in the aggregate principal amount of up to \$12,165,000. The principal amount of the Bonds deemed issued from time to time shall equal the amount of Acknowledged Advances made under the Construction Funding Loan Agreement whereby which the Developer advances the funds to cover capital costs and such advances are converted to bond proceeds through the process of Bond Counsel issuing an opinion on each Acknowledged Advance. The District also issued Taxable Subordinate Special Revenue Bonds, Series 2014B (the "Subordinate Bonds") in the authorized principal amount of up to

\$3,335,000, in order to provide for the repayment of Acknowledged Advances in excess of \$12,165,000. The principal balance of the Bonds shall bear an interest at the rate of 8.00%, payable semi-annually on each June 15 and December 15, commencing June 15, 2015, and shall mature on December 15, 2044.

To the extent interest on the Bonds is not paid when due, such interest shall compound annually, on each December 15. To the extent principal of the Bonds is not paid when due, such principal shall remain

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases – (continued)

outstanding until paid. The Subordinate Bonds shall bear the same interest rate of 8.00% and to be payable only after the payment in full of the Bonds.

The Bonds are secured and payable from the Pledged Revenue, consisting of moneys derived by the District from the following sources, net of collection costs: (1) property tax revenues, (2) specific ownership tax revenues, (3) PIF revenues, and (4) any other legally available moneys which the District determines to credit to the Bond Fund. Pledged Revenue for the repayment on the Bonds also includes revenues resulting from District No. 3's imposition of the District No. 3 Required Mill Levy.

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in part, on any date thereafter, upon payment of par and accrued interest, without redemption premium. The Bonds is subject to mandatory redemption in part on December 15 of each year, commencing December 15, 2015 to the extent of moneys on deposit.

Limited Tax General Obligation and Special Revenue Bonds, Series 2015

On December 17, 2015, the District issued Limited Tax General Obligation and Special Revenue Bonds, Series 2015, in the amount of \$10,830,000. The proceeds from the sale of the Series 2015 Senior Bonds are used for the purposes of (i) refunding a portion of the District's currently outstanding Subordinate Special Revenue Bond, Series 2014A; (ii) providing capitalized interest for the Series 2015 Senior Bonds; (iii) funding a Reserve Fund securing the Series 2015 Senior Bonds; and, (iv) paying costs of issuance of the Series 2015 Senior Bonds.

The Series 2015 Senior Bonds bear interest at 5.375%, payable semi-annually on June 1 and December 1, beginning on June 1, 2016. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2019. The Series 2015 Senior Bonds mature on December 1, 2045, and are subject to optional redemption as described in the Indenture.

The Series 2015 Senior Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, Specific Ownership Taxes attributable to the Required Mill Levy, Pledged PIF Revenues, PILOT revenues (if any), and any other legally available moneys of the District which the District deposits with the Trustee for application as Pledged Revenue. The forecast does not include Pledged PIF or PILOT revenues. The Series 2015 Senior Bonds are also secured by amounts held in the Reserve Fund, which is to be funded upon issuance of the Series 2015 Senior Bonds in the amount of the Required Reserve anticipated to equal \$880,075, and amounts accumulated in the Surplus Fund, if any. In accordance with the Indenture, amounts on deposit in the Surplus Fund are to be released to the District when the Series 2015 Senior Bonds are defeased or paid in full.

Pledged Revenue that is not needed to pay debt service on the Series 2015 Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of 10% of par value of the Series 2015 Senior Bonds, or \$1,083,000. Under the Indenture, the Surplus Fund is terminated upon defeasance or payment in full of the Series 2015 Senior Bonds. The District has acknowledged that State Law places certain restrictions on the use of money derived from the Required Mill Levy. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases – (continued)

District and District No. 3 each year in an amount sufficient, to pay the principal and interest on the Bonds as the same become due, and to replenish the Surplus Fund to the Maximum Surplus Amount, but not in excess of 50.000 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation). The maximum Required Mill Levy has been adjusted to 55.663.

Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2018B

On September 6, 2018, the District issued Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2018B, in the amount of \$5,700,000. Proceeds from the sale of the Bonds were used for the purposes of (i) refunding a portion of the 2014A and 2014B Bonds and (ii) paying costs in connection with the issuance of the Bonds.

The Series 2018B Subordinate Limited Bonds were issued at the rate of 7.625% per annum and payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue, subject to limitations of the Indenture, and mature on December 15, 2028. The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the Bonds compounds annually on each December 15 at the rate then borne by the Bonds. In the event any amount due and owing on the Bonds remains outstanding on December 15, 2055, such amount shall be deemed discharged and no longer be due and outstanding.

The Series 2018B Subordinate Limited Bonds are secured by and payable solely from Subordinate Pledged Revenue, which is that portion of Pledged Revenue available after application of the Pledged Revenue to the payment of Series 2015 Senior Bonds.

The Indenture requires that, so long as any Series 2015 Senior Bonds are outstanding, the District must transfer all Pledged Revenue to the Senior Obligation Trustee for the payment of Senior Obligations. Any Pledged Revenue not needed to pay Series 2015 Senior Bonds, or to replenish the Reserve Fund or fund the Surplus Fund, are required to be deposited in the Subordinate Bond Fund and be applied to the payment of the Subordinate Bonds. When the Series 2015 Senior Bonds are no longer outstanding, the District is required to deposit all Pledged Revenue with the Trustee for the payment of the Subordinate Bonds.

The Series 2018B Subordinate Limited Bonds constitute Subordinate Obligations under the 2015 Senior Indenture, and the Series 2015 Senior Bonds constitute Senior Obligations under the Indenture. The moneys constituting the Subordinate Pledged Revenue, which are pledged to the payment of the Bonds, are derived from the same sources of revenues as the moneys pledged to the payment of the 2015 Senior Indenture to pay the Series 2015 Senior Bonds, and the lien thereon is junior and subordinate in all respects to the lien of the Series 2015 Senior Bonds and any other Senior Obligations which may be issued by the Issuing District in the future.

Principal and interest payments will be as cash flow is available.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The following is analysis of anticipated changes in the District's long-term obligations for the years ending December 31, 2021 and 2022.

| | Balance - December 31, 2020 | Additions | Retirements | Anticipated Balance - December 31, 2021 |
|------------------------------------|-----------------------------------|-------------------|-------------------|--|
| Subordinate Special Revenue | | | | |
| Bonds, Series 2014A | \$ 665,293 | \$ - | \$ - | \$ 665,293 |
| Subordinate Special Revenue | | | | |
| Bonds, Series 2014B | 914,350 | - | - | 914,350 |
| Accrued Interest on Subordinate | | | | |
| Special Rev Bonds, Series 2014A | 130,939 | 63,699 | - | 194,638 |
| Accrued Interest on Subordinate | | | | |
| Special Rev Bonds, Series 2014B | 287,767 | 96,169 | - | 383,936 |
| Limited Tax G.O. and Special | | | | |
| Revenue Bonds, Series 2015 | 10,645,000 | - | 120,000 | 10,525,000 |
| Bond Issue Discount - Series 2015 | (31,299) | - | (1,807) | (29,492) |
| Subordinate Limited Tax G.O. and | | | | |
| Special Revenue Refunding, | | | | |
| Bonds Series 2018B | 5,700,000 | - | - | 5,700,000 |
| Bond Issue Discount - Series 2018B | (149,816) | - | (10,461) | (139,355) |
| Accrued Interest on Subordinate | | | | |
| Limited Tax G.O. and Special | | | | |
| Revenue Bonds, Series 2018 | 1,062,385 | 516,956 | 96,750 | 1,482,591 |
| Total | \$ 19,224,619 | \$ 676,824 | \$ 204,482 | \$ 19,696,961 |

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

| | Anticipated | | | Anticipated |
|------------------------------------|----------------------|-------------------|-------------------|----------------------|
| | Balance - | | | Balance - |
| | December 31, | | | December 31, |
| | 2021 | Additions | Retirements | 2022 |
| Subordinate Special Revenue | | | | |
| Bonds, Series 2014A | \$ 665,293 | \$ - | \$ - | \$ 665,293 |
| Subordinate Special Revenue | | | | |
| Bonds, Series 2014B | 914,350 | - | - | 914,350 |
| Accrued Interest on Subordinate | | | | |
| Special Rev Bonds, Series 2014A | 194,638 | 68,794 | - | 263,432 |
| Accrued Interest on Subordinate | | | | |
| Special Rev Bonds, Series 2014B | 383,936 | 103,863 | - | 487,799 |
| Limited Tax G.O. and Special | | | | |
| Revenue Bonds, Series 2015 | 10,525,000 | - | 140,000 | 10,385,000 |
| Bond Issue Discount - Series 2015 | (29,492) | - | (1,786) | (27,706) |
| Subordinate Limited Tax G.O. and | | | | |
| Special Revenue Refunding, | | | | |
| Bonds Series 2018B | 5,700,000 | - | - | 5,700,000 |
| Bond Issue Discount - Series 2018B | (139,355) | - | (11,166) | (128,189) |
| Accrued Interest on Subordinate | | | | |
| Limited Tax G.O. and Special | | | | |
| Revenue Bonds, Series 2018 | 1,482,591 | 547,688 | 519,000 | 1,511,280 |
| Total | <u>\$ 19,696,961</u> | <u>\$ 720,346</u> | <u>\$ 646,048</u> | <u>\$ 19,771,259</u> |

The District has no capital or operating leases.

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the Series 2015 Bonds.

This information is an integral part of the accompanying budget.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$10,830,000

**Limited Tax General Obligation
and Special Revenue Bonds**

Series 2015, Dated December 17, 2015

**Interest Rate of 5.375% Payable June 1 and
December 1, Principal Due December 1**

| <u>Year Ended December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|---------------------|----------------------|
| 2022 | \$ 140,000 | \$ 565,718 | \$ 705,718 |
| 2023 | 150,000 | 558,194 | 708,194 |
| 2024 | 170,000 | 550,131 | 720,131 |
| 2025 | 180,000 | 540,994 | 720,994 |
| 2026 | 205,000 | 531,318 | 736,318 |
| 2027 | 215,000 | 520,300 | 735,300 |
| 2028 | 245,000 | 508,744 | 753,744 |
| 2029 | 255,000 | 495,575 | 750,575 |
| 2030 | 285,000 | 481,869 | 766,869 |
| 2031 | 300,000 | 466,550 | 766,550 |
| 2032 | 330,000 | 450,425 | 780,425 |
| 2033 | 350,000 | 432,688 | 782,688 |
| 2034 | 385,000 | 413,875 | 798,875 |
| 2035 | 405,000 | 393,181 | 798,181 |
| 2036 | 440,000 | 371,413 | 811,413 |
| 2037 | 465,000 | 347,763 | 812,763 |
| 2038 | 505,000 | 322,769 | 827,769 |
| 2039 | 535,000 | 295,625 | 830,625 |
| 2040 | 580,000 | 266,869 | 846,869 |
| 2041 | 610,000 | 235,693 | 845,693 |
| 2042 | 660,000 | 202,906 | 862,906 |
| 2043 | 695,000 | 167,431 | 862,431 |
| 2044 | 750,000 | 130,075 | 880,075 |
| 2045 | 1,670,000 | 89,763 | 1,759,763 |
| TOTAL | \$ 10,525,000 | \$ 9,339,869 | \$ 19,864,869 |

No assurance provided. See summary of significant assumptions.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the Littleton Village Metropolitan District No. 2,
(taxing entity)^A

the Board of Directors
(governing body)^B

of the Littleton Village Metropolitan District No. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 21,161,903 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 21,161,903 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/02/2021 for budget/fiscal year 2022.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

| PURPOSE (see end notes for definitions and examples) | LEVY² | REVENUE² |
|--|----------------------------|----------------------------|
| 1. General Operating Expenses ^H | <u>11.132</u> mills | <u>\$ 235,574</u> |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < > mills | \$ < > |
| SUBTOTAL FOR GENERAL OPERATING: | <u>11.132</u> mills | <u>\$ 235,574</u> |
| 3. General Obligation Bonds and Interest ^J | <u>44.531</u> mills | <u>\$ 942,361</u> |
| 4. Contractual Obligations ^K | _____ mills | \$ _____ |
| 5. Capital Expenditures ^L | _____ mills | \$ _____ |
| 6. Refunds/Abatements ^M | _____ mills | \$ _____ |
| 7. Other ^N (specify): _____ | _____ mills | \$ _____ |
| | _____ mills | \$ _____ |
| TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] | <u>55.663</u> mills | <u>\$ 1,177,935</u> |

Contact person: (print) Jason Carroll Daytime phone: (303) 779-5710

Signed:  Title: Accountant for the District

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

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | <u>Reimbursement of Developer Capital Improvement Advances</u> |
| | Series: | <u>Series 2015 Limited Tax General Obligation and Special Revenue Bonds</u> |
| | Date of Issue: | <u>12/17/15</u> |
| | Coupon Rate: | <u>5.375%</u> |
| | Maturity Date: | <u>12/01/2045</u> |
| | Levy: | <u>44.531</u> |
| | Revenue: | <u>\$942,361</u> |
| | | |
| 2. | Purpose of Issue: | <u>Reimbursement of Developer Capital Improvement Advances</u> |
| | Series: | <u>Series 2014 Subordinate Bonds, Series A and B</u> |
| | Date of Issue: | <u>06/06/14</u> |
| | Coupon Rate: | <u>8.0%</u> |
| | Maturity Date: | <u>12/15/2044</u> |
| | Levy: | <u>0.000</u> |
| | Revenue: | <u>\$0</u> |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

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

CERTIFICATION OF TAX LEVIES, continued

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|---|
| 3. | Purpose of Issue: | Refund a Portion of Series 2014 Bonds (Reimbursement of Developer Capital Improvement Advances) |
| | Series: | Series 2018B Subordinate Limited Tax General Obligation and Special Refunding Bonds |
| | Date of Issue: | 9/6/2018 |
| | Coupon Rate: | 7.625% |
| | Maturity Date: | 12/15/2028 |
| | Levy: | 0.000 |
| | Revenue: | \$0 |
| | | |
| 4. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 5. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 6. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

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

Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Public Notice

NOTICE OF PUBLIC HEARING ON THE
AMENDED 2021 BUDGET
AND NOTICE OF PUBLIC HEARING
ON THE PROPOSED 2022 BUDGET

Littleton Village Metro Districts (cla) **
c/o CliftonLarsonAllen LLP
8390 E. Crescent Pkwy., Suite 300
Greenwood Village CO 80111

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2 (the "District"), will hold a meeting via teleconference on Tuesday, October 26, 2021 at 5:30 P.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2021 amended budget (the "Amended Budget") and 2022 proposed budget (the "Proposed Budget"). This meeting can be joined using the following teleconference information:
https://teams.microsoft.com/join/19%3ameeting_Nzk2ZjgwYTA1MWRhNi00ODEwLWFjNDItYmYwZDk1NzNkMjMw%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2216b1c71c-d483-4feb-8929-2d72ea1cdf59%22%7d, Conference ID: 133 076 736#, Phone number: 1-720-547-5281.

Description: No. 529640 PROPOSED 2022 BUDGET

**AFFIDAVIT OF
PUBLICATION**

State of Colorado }
County of Arapahoe } ss

NOTICE IS FURTHER GIVEN that Amended Budget and Proposed Budget have been submitted to the District. A copy of the Amended Budget and the Proposed Budget are on file in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Pkwy., Ste. 300, Greenwood Village, Colorado 80111, where the same are open for public inspection.


This Affidavit of Publication for the Littleton Independent, a weekly newspaper, printed and published for the County of Arapahoe, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 10/21/2021, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.

Any interested elector of the District may file any objections to the Amended Budget and Proposed Budget at any time prior to final adoption of the Amended Budget and Proposed Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:
LITTLETON VILLAGE
METROPOLITAN DISTRICT NO. 2

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

Legal Notice No. 529640
First Publication: October 21, 2021
Last Publication: October 21, 2021
Publisher: Littleton Independent



For the Littleton Independent

State of Colorado }
County of Arapahoe } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 10/21/2021. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-883843

Carla Bethke
Notary Public
My commission ends April 11, 2022

