

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
ANNUAL REPORT  
TO  
THE CITY OF LITTLETON  
FISCAL YEAR ENDING DECEMBER 31, 2022**

**ANNUAL REPORT REQUIREMENT:**

Pursuant to Section VII of the Amended and Restated Consolidated Service Plan for Littleton Village Metropolitan District No. 2 (the “District”), and Sections 32-1-207(3)(c)(I) and (II), C.R.S., the District shall be responsible for submitting an annual report to the City of Littleton City Manager no later than August 1<sup>st</sup> of the subsequent year. For the year ending December 31, 2022, the District submits the following report:

**1. Boundary changes made to the Districts’ boundaries as of December 31 of the prior year.**

No boundary changes were made to the District’s boundaries during the year ending December 31, 2022.

**2. Intergovernmental Agreements with other governmental entities entered into as of December 31 of the prior year.**

No intergovernmental agreements were entered into during the year ending December 31, 2022.

**3. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.**

No improvements were dedicated to the City during the year ending December 31, 2022.

**4. Access information to obtain a copy of the District’s Rules and Regulations.**

The District’s Rules and Regulations may be obtained from the District’s website: <https://littletonvillagemd2.com/documents/>.

**5. The assessed valuation of the District for the current year.**

The current assessed valuation for the District is \$20,573,280.

**6. Current year budget including a description of the Public Improvements to be constructed in such year.**

A copy of the District’s 2023 budget is attached hereto as **Exhibit A**.

No Public Improvements will be constructed by the District during the year ending December 31, 2023.

**7. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.**

The District's 2022 Audit is attached hereto as **Exhibit B**.

**8. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.**

None to date.

**9. Any inability of the District to pay obligations as they come due under any obligation which continues beyond a ninety-day period.**


None to date.

**10. Summary of litigation involving public improvements owned by the District.**

None.

Respectfully submitted this 1<sup>st</sup> day of August, 2023.

Fritsche Law LLC

By   
Joan M. Fritsche  
Attorney for the District

**EXHIBIT A**  
**ADOPTED 2023 BUDGET**

**Littleton Village Metropolitan District No. 2**  
**Annual Budget**  
**For Year Ending December 31, 2023**

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**SUMMARY**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,683,452	\$ 2,235,998	\$ 2,368,884
REVENUES			
Property taxes	1,049,636	1,177,935	1,185,638
Specific ownership taxes	72,340	74,300	71,138
Net investment income	1,157	12,100	15,100
Administrative fee	4,140	4,140	4,140
Maintenance fee	401,774	422,000	500,200
Maintenance fee - Transfer from District No. 3	-	6,393	44,000
Domestic water fee	32,614	38,000	38,000
Other revenue	100	-	-
Transfer from District No. 3	172,283	161,812	166,096
Public improvement fees	42,005	45,000	45,000
Transfer from District No. 1	104,091	-	-
Total revenues	<u>1,880,140</u>	<u>1,941,680</u>	<u>2,069,312</u>
Total funds available	<u>3,563,592</u>	<u>4,177,678</u>	<u>4,438,196</u>
EXPENDITURES			
General Fund	108,133	141,456	175,000
Maintenance Fund	404,793	428,485	482,000
Debt Service Fund	814,668	1,238,853	1,232,000
Total expenditures	<u>1,327,594</u>	<u>1,808,794</u>	<u>1,889,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,327,594</u>	<u>1,808,794</u>	<u>1,889,000</u>
ENDING FUND BALANCES	<u>\$ 2,235,998</u>	<u>\$ 2,368,884</u>	<u>\$ 2,549,197</u>
REQUIRED RESERVE - SERIES 2015	\$ 880,075	\$ 880,075	\$ 880,075
SURPLUS RESERVE - SERIES 2015	1,101,644	1,083,000	1,083,000
EMERGENCY RESERVE	23,100	22,100	25,200
TOTAL RESERVE	<u>\$ 2,004,819</u>	<u>\$ 1,985,175</u>	<u>\$ 1,988,275</u>

No assurance provided. See summary of significant assumptions.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential	\$ 18,271,770	\$ 20,537,137	\$ -
Residential - Single-Family	-	-	13,284,740
Residential - Multi-Family	-	-	6,702,080
Commercial	300,468	303,471	299,570
State assessed	284,160	320,860	2,820
Vacant land	435	435	435
Personal property	-	-	283,635
Certified Assessed Value	<u>\$ 18,856,833</u>	<u>\$ 21,161,903</u>	<u>\$ 20,573,280</u>
<b>MILL LEVY</b>			
General	11.132	11.132	11.525
Debt Service	44.531	44.531	46.105
Total mill levy	<u>55.663</u>	<u>55.663</u>	<u>57.630</u>
<b>PROPERTY TAXES</b>			
General	\$ 209,914	\$ 235,574	\$ 237,107
Debt Service	839,714	942,361	948,531
Levied property taxes	1,049,628	1,177,935	1,185,638
Adjustments to actual/rounding	8	-	-
Budgeted property taxes	<u>\$ 1,049,636</u>	<u>\$ 1,177,935</u>	<u>\$ 1,185,638</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 209,916	\$ 235,574	\$ 237,107
Debt Service	839,720	942,361	948,531
Budgeted property taxes	<u>\$ 1,049,636</u>	<u>\$ 1,177,935</u>	<u>\$ 1,185,638</u>

No assurance provided. See summary of significant assumptions.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 116,453	\$ 225,471
REVENUES			
Property taxes	209,916	235,574	237,107
Specific ownership taxes	14,467	14,800	14,226
Net investment income	103	100	100
Other revenue	100	-	-
Total revenues	<u>224,586</u>	<u>250,474</u>	<u>251,433</u>
Total funds available	<u>224,586</u>	<u>366,927</u>	<u>476,904</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	3,150	3,534	3,557
Accounting	37,039	44,000	48,000
Audit	3,000	3,500	4,000
Dues and licenses	836	422	1,000
District management	26,698	30,000	33,000
Legal services	18,391	40,000	44,000
Election expense	-	5,000	10,000
Contingency	2,506	-	6,443
District No. 1's expenses	-	15,000	25,000
Transfer to District No. 1	16,513	-	-
Total expenditures	<u>108,133</u>	<u>141,456</u>	<u>175,000</u>
Total expenditures and transfers out requiring appropriation	<u>108,133</u>	<u>141,456</u>	<u>175,000</u>
ENDING FUND BALANCES	<u>\$ 116,453</u>	<u>\$ 225,471</u>	<u>\$ 301,905</u>
EMERGENCY RESERVE	<u>\$ 6,800</u>	<u>\$ 7,600</u>	<u>\$ 7,600</u>
TOTAL RESERVE	<u>\$ 6,800</u>	<u>\$ 7,600</u>	<u>\$ 7,600</u>

No assurance provided. See summary of significant assumptions.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**MAINTENANCE FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 137,826	\$ 179,874
REVENUES			
Administrative fee	4,140	4,140	4,140
Maintenance fee	401,774	422,000	500,200
Domestic water fee	32,614	38,000	38,000
Maintenance fee - Transfer from District No. 3	-	6,393	44,000
Transfer from District No. 1	104,091	-	-
Total revenues	<u>542,619</u>	<u>470,533</u>	<u>586,340</u>
Total funds available	<u>542,619</u>	<u>608,359</u>	<u>766,214</u>
EXPENDITURES			
General and administrative			
Billing services	31,453	22,000	24,000
Insurance and bonds	15,997	11,369	13,000
Property management	26,940	30,000	33,000
Contingency	5,161	116	8,000
Operations and maintenance			
Electricity and utility inspections	1,412	1,000	1,000
Pet waste removal	8,463	9,000	15,000
Irrigation repairs	13,313	15,000	25,000
Domestic water	32,614	38,000	38,000
Irrigation water	57,497	60,000	65,000
Snow removal	66,015	90,000	90,000
Trash	41,616	42,000	48,000
Landscape maintenance	78,972	80,000	82,000
Landscape repairs	25,340	30,000	40,000
Total expenditures	<u>404,793</u>	<u>428,485</u>	<u>482,000</u>
Total expenditures and transfers out requiring appropriation	<u>404,793</u>	<u>428,485</u>	<u>482,000</u>
ENDING FUND BALANCES	<u>\$ 137,826</u>	<u>\$ 179,874</u>	<u>\$ 284,214</u>
EMERGENCY RESERVE	<u>\$ 16,300</u>	<u>\$ 14,500</u>	<u>\$ 17,600</u>
TOTAL RESERVE	<u>\$ 16,300</u>	<u>\$ 14,500</u>	<u>\$ 17,600</u>

No assurance provided. See summary of significant assumptions.



**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,683,452	\$ 1,981,719	\$ 1,963,539
REVENUES			
Property taxes	839,720	942,361	948,531
Specific ownership taxes	57,873	59,500	56,912
Net investment income	1,054	12,000	15,000
Transfer from District No. 3	172,283	161,812	166,096
Public improvement fees	42,005	45,000	45,000
Total revenues	<u>1,112,935</u>	<u>1,220,673</u>	<u>1,231,539</u>
Total funds available	<u>2,796,387</u>	<u>3,202,392</u>	<u>3,195,078</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	12,602	14,135	14,228
Paying agent fees	11,100	11,000	11,000
Contingency	-	-	5,078
PIF collection fee	2,047	3,000	3,500
Debt Service			
Bond interest - Series 2015	572,169	565,718	558,194
Bond principal - Series 2015	120,000	140,000	150,000
Bond interest - Series 2018B	96,750	505,000	490,000
Total expenditures	<u>814,668</u>	<u>1,238,853</u>	<u>1,232,000</u>
Total expenditures and transfers out requiring appropriation	<u>814,668</u>	<u>1,238,853</u>	<u>1,232,000</u>
ENDING FUND BALANCES	<u>\$ 1,981,719</u>	<u>\$ 1,963,539</u>	<u>\$ 1,963,078</u>
REQUIRED RESERVE - SERIES 2015	\$ 880,075	\$ 880,075	\$ 880,075
SURPLUS RESERVE - SERIES 2015	1,101,644	1,083,000	1,083,000
TOTAL RESERVE	<u>\$ 1,981,719</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  
2023 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.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

The taxes are payable by April or, if in equal installments, at the taxpayer's 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The change in assessment ratio allows the District to adjust its mill levy. Accordingly, the District adjusted its mill levy to 11.525 for operations and 46.105 for debt service.

**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 6% 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.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**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, \$110 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.

**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 2023 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.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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

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.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

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

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 57.630.

**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.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**2023 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

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.

The following is analysis of anticipated changes in the District's long-term obligations for the years ending December 31, 2022 and 2023.

	Balance -			Anticipated
	December 31,			Balance -
	2021	Additions	Retirements	December 31,
				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	505,000	1,525,279
<b>Total</b>	<b>\$ 19,696,961</b>	<b>\$ 720,345</b>	<b>\$ 632,048</b>	<b>\$ 19,785,258</b>

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

	Anticipated			Anticipated
	Balance -			Balance -
	December 31,			December 31,
	2022	Additions	Retirements	2023
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	263,432	74,298	-	337,730
Accrued Interest on Subordinate				
Special Rev Bonds, Series 2014B	487,799	112,172	-	599,971
Limited Tax G.O. and Special				
Revenue Bonds, Series 2015	10,385,000	-	150,000	10,235,000
Bond Issue Discount - Series 2015	(27,706)	-	(1,763)	(25,943)
Subordinate Limited Tax G.O. and				
Special Revenue Refunding,				
Bonds Series 2018B	5,700,000	-	-	5,700,000
Bond Issue Discount - Series 2018B	(128,189)	-	(11,078)	(117,111)
Accrued Interest on Subordinate				
Limited Tax G.O. and Special				
Revenue Bonds, Series 2018	1,525,279	549,752	490,000	1,585,031
Total	\$ 19,785,258	\$ 736,222	\$ 627,159	\$ 19,894,321

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 2023, 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>
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
<b>TOTAL</b>	<b>\$ 10,525,000</b>	<b>\$ 9,339,869</b>	<b>\$ 19,864,869</b>

No assurance provided. See summary of significant assumptions.

**EXHIBIT B**  
**2022 AUDIT**

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
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Board of Directors  
Littleton Village Metropolitan District No. 2  
Arapahoe County, Colorado

Independent Auditor's Report

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Littleton Village Metropolitan District No. 2 (the "District"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Littleton Village Metropolitan District No. 2 as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

## Other Matters

### Required Supplementary Information

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

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Information

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Wipfli LLP*

Wipfli LLP  
Lakewood, Colorado

June 25, 2023

## **BASIC FINANCIAL STATEMENTS**



**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 496,781
Cash and Investments - Restricted	1,989,394
Receivable from County Treasurer	5,492
Due from Other Districts	829
PIF Receivable	3,737
Prepaid Expenses	13,314
Property Taxes Receivable	1,185,638
Capital Assets, Net	<u>2,642,657</u>
Total Assets	<u>6,337,842</u>
<b>LIABILITIES</b>	
Accounts Payable	72,230
Unearned Maintenance Fees	4,361
Domestic Water Fee Credit Payable	13,875
Accrued Interest on Bonds Payable	46,516
Noncurrent Liabilities:	
Due Within One Year	150,000
Due in More than One Year	<u>19,603,938</u>
Total Liabilities	<u>19,890,920</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	<u>1,185,638</u>
Total Deferred Inflows of Resources	<u>1,185,638</u>
<b>NET POSITION</b>	
Restricted For:	
Emergency Reserves	22,200
Unrestricted	<u>(14,760,916)</u>
Total Net Position	<u><u>\$ (14,738,716)</u></u>

See accompanying Notes to Basic Financial Statements.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenue (Expense) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 729,051	\$ 476,788	\$ -	\$ -	\$ (252,263)
Intergovernmental	-	-	170,846	-	170,846
Interest and Related Costs on Long-Term Debt	1,323,514	-	-	-	(1,323,514)
Total Governmental Activities	\$ 2,052,565	\$ 476,788	\$ 170,846	\$ -	(1,404,931)
<b>GENERAL REVENUES</b>					
Property Taxes					1,177,927
Specific Ownership Taxes					74,369
Public Improvement Fees					43,150
Net Investment Income					50,281
Total General Revenues					1,345,727
<b>CHANGE IN NET POSITION</b>					(59,204)
Net Position - Beginning of Year					(14,679,512)
<b>NET POSITION - END OF YEAR</b>					\$ (14,738,716)

See accompanying Notes to Basic Financial Statements.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 264,259	\$ 232,522	\$ -	\$ 496,781
Cash and Investments - Restricted	7,600	14,600	1,967,194	1,989,394
Receivable from County Treasurer	1,098	-	4,394	5,492
Due from Other Districts	-	50	779	829
Due from Other Funds	-	2,356	-	2,356
PIF Receivable	-	-	3,737	3,737
Prepaid Expenses	788	12,526	-	13,314
Property Taxes Receivable	237,107	-	948,531	1,185,638
Total Assets	\$ 510,852	\$ 262,054	\$ 2,924,635	\$ 3,697,541
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 17,541	\$ 54,288	\$ 401	\$ 72,230
Due to Other Funds	-	-	2,356	2,356
Unearned Maintenance Fees	-	4,361	-	4,361
Domestic Water Fee Credit Payable	-	13,875	-	13,875
Total Liabilities	17,541	72,524	2,757	92,822
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenue	237,107	-	948,531	1,185,638
Total Deferred Inflows of Resources	237,107	-	948,531	1,185,638
 <b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expenses	788	12,526	-	13,314
Restricted for:				
Emergency Reserves	7,600	14,600	-	22,200
Debt Service	-	-	1,973,347	1,973,347
Committed for:				
Operations	-	162,404	-	162,404
Unassigned:				
General Government	247,816	-	-	247,816
Total Fund Balances	256,204	189,530	1,973,347	2,419,081
Total Liabilities and Fund Balances	\$ 510,852	\$ 262,054	\$ 2,924,635	\$ 3,697,541

See accompanying Notes to Basic Financial Statements.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO  
THE NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2022**

Fund Balances - Total Governmental Funds	\$ 2,419,081
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>	
Capital Assets, Net	2,642,657
<p>Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.</p>	
Bonds Payable - Series 2014A	(665,293)
Bonds Payable - Series 2014B	(914,350)
Bonds Payable - Series 2015	(10,357,294)
Bonds Payable - Series 2018B	(5,571,811)
Accrued Interest on Bonds Payable - Series 2014A	(263,432)
Accrued Interest on Bonds Payable - Series 2014B	(487,799)
Accrued Interest on Bonds Payable - Series 2015	(46,516)
Accrued Interest on Bonds Payable - Series 2018B	(1,493,959)
Net Position of Governmental Activities	\$ (14,738,716)

See accompanying Notes to Basic Financial Statements.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 235,572	\$ -	\$ 942,355	\$ 1,177,927
Specific Ownership Taxes	14,873	-	59,496	74,369
Net Investment Income	131	7,205	42,945	50,281
Maintenance Fees	-	431,533	-	431,533
Domestic Water Fees	-	41,122	-	41,122
Administrative Fees	-	4,133	-	4,133
Public Improvement Fees	-	-	43,150	43,150
Transfer from District No. 3	-	-	170,846	170,846
Total Revenues	<u>250,576</u>	<u>483,993</u>	<u>1,258,792</u>	<u>1,993,361</u>
<b>EXPENDITURES</b>				
General:				
Accounting	43,414	-	-	43,414
Audit	3,500	-	-	3,500
County Treasurer's Fees	3,536	-	14,143	17,679
Dues and Memberships	422	-	-	422
District Management	19,902	-	-	19,902
District No. 1's Expenses	7,346	-	-	7,346
Election Expense	4,456	-	-	4,456
Legal Services	28,224	-	-	28,224
Contingency	25	-	-	25
Operations:				
Insurance and Bonds	-	11,619	-	11,619
Snow Removal	-	91,361	-	91,361
Trash	-	41,528	-	41,528
Electricity and Utility Inspections	-	1,565	-	1,565
Irrigation Repairs	-	12,967	-	12,967
Pet Waste Removal	-	8,658	-	8,658
Property Management	-	19,902	-	19,902
Billing Services	-	22,822	-	22,822
Landscape Maintenance	-	78,972	-	78,972
Landscape Repairs	-	38,671	-	38,671
Irrigation Water	-	63,102	-	63,102
Domestic Water	-	41,122	-	41,122
Debt Service:				
Bond Interest - Series 2015	-	-	565,719	565,719
Bond Interest - Series 2018B	-	-	536,262	536,262
Bond Principal - Series 2015	-	-	140,000	140,000
Paying Agent Fees	-	-	7,600	7,600
PIF Collection Fees	-	-	3,440	3,440
Total Expenditures	<u>110,825</u>	<u>432,289</u>	<u>1,267,164</u>	<u>1,810,278</u>
<b>NET CHANGE IN FUND BALANCES</b>	139,751	51,704	(8,372)	183,083
Fund Balances - Beginning of Year	<u>116,453</u>	<u>137,826</u>	<u>1,981,719</u>	<u>2,235,998</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 256,204</u>	<u>\$ 189,530</u>	<u>\$ 1,973,347</u>	<u>\$ 2,419,081</u>

See accompanying Notes to Basic Financial Statements.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ 183,083

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of cost of any depreciable asset over the estimated useful life of the asset.

Depreciation Expense (185,937)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Bond Principal Payment - Series 2015 140,000  
Bond Discount Amortization - Series 2015 (1,786)  
Bond Discount Amortization - Series 2018B (11,166)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Long-Term Obligations - Change in Liability (183,398)

Change in Net Position of Governmental Activities \$ (59,204)

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 235,574	\$ 235,572	\$ (2)
Specific Ownership Taxes	16,490	14,873	(1,617)
Net Investment Income	100	131	31
Total Revenues	<u>252,164</u>	<u>250,576</u>	<u>(1,588)</u>
<b>EXPENDITURES</b>			
Accounting	42,000	43,414	(1,414)
Audit	4,000	3,500	500
County Treasurer's Fees	3,534	3,536	(2)
Dues and Memberships	1,000	422	578
District Management	38,000	19,902	18,098
District No. 1's Expenses	25,000	7,346	17,654
Election Expense	10,000	4,456	5,544
Legal Services	50,000	28,224	21,776
Contingency	6,466	25	6,441
Total Expenditures	<u>180,000</u>	<u>110,825</u>	<u>69,175</u>
<b>NET CHANGE IN FUND BALANCES</b>	72,164	139,751	67,587
Fund Balances - Beginning of Year	<u>97,047</u>	<u>116,453</u>	<u>19,406</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 169,211</u>	<u>\$ 256,204</u>	<u>\$ 86,993</u>

See accompanying Notes to Basic Financial Statements.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Maintenance Fees	\$ 422,000	\$ 422,000	\$ 431,533	\$ 9,533
Domestic Water Fees	38,000	38,000	41,122	3,122
Administrative Fees	4,140	4,140	4,133	(7)
Net Investment Income	-	-	7,205	7,205
Total Revenues	<u>464,140</u>	<u>464,140</u>	<u>483,993</u>	<u>19,853</u>
<b>EXPENDITURES</b>				
Insurance and Bonds	16,000	16,000	11,619	4,381
Snow Removal	90,000	90,000	91,361	(1,361)
Trash	48,000	48,000	41,528	6,472
Electricity and Utility Inspections	1,500	1,500	1,565	(65)
Irrigation Repairs	20,000	20,000	12,967	7,033
Pet Waste Removal	9,000	9,000	8,658	342
Property Management	38,000	38,000	19,902	18,098
Billing Services	33,000	33,000	22,822	10,178
Landscape Maintenance	88,000	88,000	78,972	9,028
Landscape Repairs	30,000	30,000	38,671	(8,671)
Irrigation Water	42,000	62,000	63,102	(1,102)
Domestic Water	38,000	38,000	41,122	(3,122)
Contingency	6,500	26,500	-	26,500
Total Expenditures	<u>460,000</u>	<u>500,000</u>	<u>432,289</u>	<u>67,711</u>
<b>NET CHANGE IN FUND BALANCES</b>	4,140	(35,860)	51,704	87,564
Fund Balances - Beginning of Year	<u>121,511</u>	<u>137,826</u>	<u>137,826</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 125,651</u>	<u>\$ 101,966</u>	<u>\$ 189,530</u>	<u>\$ 87,564</u>

See accompanying Notes to Basic Financial Statements.



**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Littleton Village Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, which was organized by order and decree of the District Court for Court for Arapahoe County on February 18, 2014. The District, along with Littleton Village Metropolitan District No. 3 operate as Financing Districts together with Littleton Village Metropolitan District No. 1, which serves as the Coordinating District in a triple district structure (collectively, all three districts are referred to as the Districts). The District and District No. 3 provide for the funding of infrastructure improvements being administered by District No. 1. The Districts undertake their functions pursuant to an Amended and Restated Consolidated Service Plan (the Service Plan) dated September 3, 2013. The service area of the Districts 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.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity. On November 24, 2020, the Districts entered into intergovernmental agreements for the separation (see Note 7 – Agreements).

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major source of revenue susceptible to accrual is operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that WIP Littleton Village LLC (Developer) advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with the direct and indirect costs of facilities and maintenance.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2022.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank or investment account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

**Capital Assets**

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Parks	20 Years
Drainage Tract	20 Years

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects equal installments, at the taxpayer's 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

**Amortization**

**Bond Discount**

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Equity**

**Net Position**

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 496,781
Cash and Investments - Restricted	1,989,394
Total Cash and Investments	\$ 2,486,175

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 98,064
Investments	<u>2,388,111</u>
Total Cash and Investments	<u><u>\$ 2,486,175</u></u>

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's cash deposits had a bank and carrying balance of \$98,064.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 1,967,194
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	420,917
Total		<u>\$ 2,388,111</u>

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE (CONTINUED)**

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAaf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.



**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
	<u>2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>2022</u>
Capital Assets, Being				
Depreciated:				
Central Park	\$ 2,270,546	\$ -	\$ -	\$ 2,270,546
Boulevard Park	511,964	-	-	511,964
North Drainage Tract/Open Space	936,246	-	-	936,246
Total Capital Assets, Being				
Depreciated	3,718,756	-	-	3,718,756
Less Accumulated Depreciation for:				
Central Park	(540,180)	(113,527)	-	(653,707)
Boulevard Park	(123,723)	(25,598)	-	(149,321)
North Drainage Tract/Open Space	(226,259)	(46,812)	-	(273,071)
Total Accumulated				
Depreciation	(890,162)	(185,937)	-	(1,076,099)
Capital Assets, Net	<u>\$ 2,828,594</u>	<u>\$ (185,937)</u>	<u>\$ -</u>	<u>\$ 2,642,657</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities: \$ 185,937

As a result of the Termination of District Administrative Services Agreement, effective January 1, 2021 (as discussed in Note 7), District No. 1 has transferred all of its capital assets to the District and District No. 3 according to their boundaries.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance - December 31, 2021	Additions	Retirements	Balance - December 31, 2022	Due Within One Year
<b>Bonds Payable:</b>					
Limited Tax G.O. and Special Revenue Bonds, Series 2015	\$ 10,525,000	\$ -	\$ 140,000	\$ 10,385,000	\$ 150,000
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 2018B	1,482,591	547,630	536,262	1,493,959	-
Subtotal of Bonds Payable	<u>17,538,744</u>	<u>547,630</u>	<u>663,310</u>	<u>17,423,064</u>	<u>150,000</u>
<b>Bonds From Direct Borrowings and Direct Placements:</b>					
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	-
Subtotal of Bonds From Direct Borrowings and Direct Placements	<u>2,158,217</u>	<u>172,657</u>	<u>-</u>	<u>2,330,874</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 19,696,961</u>	<u>\$ 720,287</u>	<u>\$ 663,310</u>	<u>\$ 19,753,938</u>	<u>\$ 150,000</u>

The detail of the District's long-term obligation is as follows:

**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 (Series 2015 Senior Bonds). 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.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Limited Tax General Obligation and Special Revenue Bonds, Series 2015 (Continued)**

The Series 2015 Senior Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy (for the District and District No. 3 according to the Capital Pledge Agreement) net of the cost of collection, Specific Ownership Taxes attributable to the Required Mill Levy, Pledged PIF revenues, payments in lieu of taxes (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 Series 2015 Senior Bonds are also secured by amounts held in the Reserve Fund 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. 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.

Unused Lines of Credit

The Series 2015 Senior Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the Series 2015 Senior Bonds.

Events of Default

Events of default occur if the District, or District No. 3, fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Termination Events

The Series 2015 Senior Bonds are not subject to early termination.

Acceleration

The Series 2015 Senior Bonds are not subject to acceleration.

The Series 2015 Senior Bonds principal and interest will mature as follows:

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2028-2032	1,415,000	2,403,163	3,818,163
2033-2037	2,045,000	1,958,920	4,003,920
2038-2042	2,890,000	1,323,862	4,213,862
2043-2045	3,115,000	387,269	3,502,269
Total	<u>\$ 10,385,000</u>	<u>\$ 8,774,151</u>	<u>\$ 19,159,151</u>

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**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 Bonds), in the amount of \$5,700,000. Proceeds from the sale of the Series 2018B Bonds were used for the purposes of (i) refunding a portion of the 2014A Bonds and (ii) paying costs in connection with the issuance of the Series 2018B Bonds.

The Series 2018B 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. Unpaid interest on the Series 2018B Bonds compounds annually on each December 15 at the rate then borne by the Series 2018B Bonds. In the event any amount due and owing on the Series 2018B Bonds remains outstanding on December 15, 2055, such amount shall be deemed discharged and no longer be due and outstanding.

The Series 2018B 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 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 Series 2018B 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 District in the future.

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

**Unused Lines of Credit**

The Series 2018B Bonds do not have any unused lines of credit.

**Collateral**

No assets have been pledged as collateral on the Series 2018B Bonds.

**Events of Default**

Events of default occur if the District, or District No. 3, fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2018B (Continued)**

Termination Events

The Series 2018B Bonds are not subject to early termination.

Acceleration

The Series 2018B Bonds are not subject to acceleration.

**Series 2014 Special Revenue Bonds**

On June 4, 2014, the District authorized the issuance of Special Revenue Bonds, Series 2014A (Series 2014A Bonds) in the aggregate principal amount of up to \$12,165,000. The principal amount of the Series 2014A Bonds deemed issued from time to time shall equal the amount of Acknowledged Advances made under the Construction Funding Loan Agreement pursuant to which the WIP Littleton Village, LLC (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 principal balance of the Series 2014A Bonds shall bear interest at the rate of 8.00% per annum and any interest not paid when due compounds annually at such rate, 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 Series 2014A 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 outstanding until paid. The District also issued Taxable Subordinate Special Revenue Bonds, Series 2014B (Series 2014B 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 Series 2014B Bonds shall bear the same interest rate of 8.00% and to be payable only after the payment in full of Series 2014A Bonds. Both Series 2014A Bonds and 2014B Bonds (Series 2014 Bonds) are subordinate to Series 2015 Senior Bonds and Series 2018 Bonds.

The Series 2014 Bonds are secured and payable from the Pledged Revenue, consisting of monies derived by the District from the following sources, net of collection costs: 1) property tax revenues, 2) specific ownership tax revenues, 3) privately imposed public improvement fees (PIF revenues), and 4) any other legally available monies which the District determines to credit to the Bond Fund. Pledged Revenue for the repayment on the Series 2014 Bonds also includes revenues resulting from District No. 3's imposition of the District No. 3 Required Mill Levy.

The Series 2014 Bonds shall be 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 Series 2014 Bonds are subject to mandatory redemption in part on December 15 of each year, commencing December 15, 2015 to the extent of monies on deposit.

Due to the unknown timing of bond proceeds, debt amortization schedules from the District's Series 2014 Bonds are not available. Principal and interest payments will be made as cash flow is available.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Series 2014 Special Revenue Bonds (Continued)**

The Series 2014A Bonds were partially refunded by the Series 2015 Senior Bonds and the Series 2018B Bonds, as described in the following section. The Series 2014B Bonds were partially discharged by a contribution from the Developer during the issuance of the Series 2018B Bonds.

Unused Lines of Credit

The Series 2014 Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the Series 2014 Bonds.

Events of Default

Events of default occur if the District, or District No. 3, fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Termination Events

The Series 2014 Bonds are not subject to early termination.

Acceleration

The Series 2014 Bonds are not subject to acceleration.

**Authorized Debt**

On November 5, 2013, the District's voters authorized total indebtedness of \$520,000,000 for construction of public improvements and operating and maintenance expenditures and debt refunding. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized November 5, 2013	Authorization Used Series 2014A	Authorization Used Series 2014B	Authorization Used Series 2015	Authorization Used Series 2018	Authorized But Unissued
Streets	\$ 40,000,000	\$ 10,091,601	\$ 1,318,760	\$ -	\$ -	\$ 28,589,639
Water	40,000,000	1,609,323	429,380	-	-	37,961,297
Sanitation	40,000,000	464,076	636,837	-	-	38,899,087
Parks and Recreation	40,000,000	-	-	-	-	40,000,000
Public Transportation	40,000,000	-	-	-	-	40,000,000
Television Relay	40,000,000	-	-	-	-	40,000,000
Mosquito Control	40,000,000	-	-	-	-	40,000,000
Security Services	40,000,000	-	-	-	-	40,000,000
Traffic and Safety	40,000,000	-	-	-	-	40,000,000
Fire Protection	40,000,000	-	-	-	-	40,000,000
Operations and Maintenance	40,000,000	-	-	-	-	40,000,000
Refundings	40,000,000	-	-	-	5,700,000	34,300,000
Intergovernmental Agreements	40,000,000	-	-	10,830,000	-	29,170,000
Total	<u>\$ 520,000,000</u>	<u>\$ 12,165,000</u>	<u>\$ 2,384,977</u>	<u>\$ 10,830,000</u>	<u>\$ 5,700,000</u>	<u>\$ 488,920,023</u>

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt (Continued)**

Pursuant to the Service Plan, the District, jointly with District Nos. 1 and 3, are permitted to issue bond indebtedness of up to \$40,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**NOTE 6 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

The restricted component of net position includes assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position at December 31, 2022, as follows:

Restricted Net Position:

Emergency Reserves	\$ 22,200
Total Restricted Net Position	<u>\$ 22,200</u>

The unrestricted component of net position is the net amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investments in capital assets or the restricted component of net position.

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, a portion of which have been conveyed to other governmental entities.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 AGREEMENTS**

**Amended and Restated Funding and Reimbursement Agreement (Operations and Maintenance)**

District No. 1 entered into a Funding and Reimbursement Agreement (Capital and Operations Maintenance) with the Developer dated as of October 31, 2013 (the Prior Funding Agreement). Pursuant to the Prior Funding Agreement, the Developer agreed to loan up to \$750,000 to District No. 1 in one or in a series of installments through December 31, 2014, to be used for costs including capital needs as well as operations and maintenance requirements. District No. 1 was to determine from time to time (but not more often than monthly) the amount required to fund budgeted expenditures of District No. 1, and was to notify the Developer of the required amount at least ten (10) days prior to the beginning of each month, and the Developer was obligated to fund such required amounts by the beginning of the next month. Simple interest accrued on amounts advanced at the rate of 8% per annum calculated from the date of each advance. District No. 1 intended to reimburse the Developer for amounts advanced from bond proceeds, ad valorem taxes, fees or other legally available revenues, net of any debt service or current operations and maintenance costs. The term for repayment was 20 years from the date of the Prior Funding Agreement, unless otherwise agreed.

On December 4, 2015, the Prior Funding Agreement was amended, restated, and superseded by the Funding and Reimbursement Agreement (Operations and Maintenance) (the Amended and Restated Funding Agreement), pursuant to which the Developer has agreed to loan funds to District No. 1 in an amount up to \$100,000 per year for five years through December 31, 2020, which funds are to be loaned to District No. 1 solely for operations and maintenance costs. Funds advanced by the Developer to District No. 1 for operations and maintenance costs under the Prior Funding Agreement are to be reimbursed to the Developer pursuant to the terms of the Amended and Restated Funding Agreement. The District and Littleton Village Metropolitan District No. 3 both acknowledged the Amended and Restated Funding Agreement, stating that each were obligated to provide revenues from the properties within the boundaries of each respective district to fund the obligation to reimburse the Developer for advances made to District No. 1 under the Amended and Restated Funding Agreement.

Pursuant to the Construction Funding Loan Agreement (described below), the capital component of Developer advances in the amount of \$767,889 made under the Prior Funding Agreement have been recorded as part of the principal amount of the 2014 Bonds issued by the District, and there is no further obligation of the Developer to fund capital costs under the Amended and Restated Funding Agreement, but rather future funding obligations of the Developer under the Amended and Restated Funding Agreement are limited to operations and maintenance costs, with capital costs funding being handled through the Construction Funding Loan Agreement.



**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Construction Funding Loan Agreement**

The District, together with District Nos. 1 and 3, entered into a Construction Funding Loan Agreement with the Developer dated as of June 6, 2014 (the Construction Funding Loan Agreement), whereby the Developer agreed to advance funds to District No. 1 for capital costs of public infrastructure being constructed by District No. 1. Additionally, the parties also agreed that any amounts funded for capital costs under the Prior Funding Agreement, prior to the date of the Construction Funding Loan Agreement, would be recognized as advances under the Construction Funding Loan Agreement and not the Prior Funding Agreement.

The Construction Funding Loan Agreement was amended by a First Amendment on January 27, 2015, a Second Amendment on December 2, 2015, a Third Amendment on November 22, 2016, a Fourth Amendment on May 23, 2017, and a Fifth Amendment on August 14, 2018. Pursuant to the Construction Funding Loan Agreement, as amended, the Developer agreed to make advances in one or more installments in the maximum loan amount of \$17,000,000 through June 1, 2018. A Sixth Amendment was executed on July 17, 2019 to extend the loan obligation period beyond June 1, 2018 to acknowledge and include advances totaling \$112,517 received from the Developer.

On December 17, 2015, the District issued Limited Tax General Obligation and Special Revenue Bonds, Series 2015, in the amount of \$10,830,000 (of the \$12,165,000 issued for Series 2014A, \$7,402,533 was refunded using the proceeds from Series 2015). 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 to refund a portion of the Series 2014A and \$2,200,000 to the Series 2014B was forgiven by the Developer. As of December 31, 2022, the Series 2014A and Series 2014B had principal outstanding balances of \$665,293 and \$914,350, respectively.

**Capital Pledge Agreement**

On June 6, 2014, the District entered into a Capital Pledge Agreement with District No. 3, by which District No. 3 agreed to impose a mill levy against property within District No. 3, to be pledged to the payment of the District's 2014 Special Revenue Bonds. The mill levy (Required Mill Levy) for debt service is 40 mills, subject to certain adjustments to account for changes in the calculation of assessed valuations as a matter of State law. The obligation to levy the Required Mill Levy continues until such time as the Series 2014 Special Revenue Bonds and certain other obligations specified in the Capital Pledge Agreement have been fully paid.

**Senior Capital Pledge Agreement**

On December 1, 2015, the District and District No. 3 (collectively, the Financing Districts) entered into the Senior Capital Pledge Agreement with UMB Bank, N.A. (the Trustee). District No. 3 agreed to impose the Required Mill Levy against property within its boundaries, specific ownership tax revenues available from the imposition of such mill levy, and any available PILOT revenues. These revenues are pledged to the payment of the Series 2015 Senior Bonds.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Senior Capital Pledge Agreement (Continued)**

The Senior Capital Pledge Agreement was amended by a First Amendment on September 1, 2018, for the purpose of correcting an omission of certain language pertaining to the permitted mill levy for Subordinate District No. 3 Obligations and modifying certain provisions that required that the 2014 Junior Lien Bonds to be paid in full prior to the application of any ad valorem property taxes of District No. 3 in order to facilitate the issuance of the Series 2018B Bonds.

**Subordinate Capital Pledge Agreement**

On September 1, 2018, the District and District No. 3 entered into the Subordinate Capital Pledge Agreement with UMB Bank, N.A. (the Trustee). The 2018 Subordinate Pledge Agreement constitutes a Subordinate District No. 3 obligation under the original Senior Capital Pledge Agreement. This requires that, so long any Series 2015 Senior Bonds are outstanding, the District must transfer all Pledged Revenue to the Senior Obligation Trustee for payment until there is no longer an outstanding obligation. Upon this, the District is required to deposit all Pledged Revenue for payment of the Subordinate Bonds.

**Termination of District Administrative Services Agreement**

The District, District No. 1, and District No. 3 entered into that certain District Administrative Services Agreement, dated April 24, 2014, with an effective date of February 20, 2014 (the Administrative Services Agreement), in order to coordinate the provision of administrative services and the provision, ownership, operation, and maintenance of public improvements. District No. 1 acted as the coordinating district under the Administrative Services Agreement, with the District and District No. 3 paying District No. 1 for all costs incurred by District No. 1 for the performance of the services provided by District No. 1 under the Administrative Services Agreement. The District, District No. 1, and District No. 3 determined it was in their best interests for each to be responsible for the provision of their own administrative services and for the ownership, operation, and maintenance of the public improvements within each of their boundaries. As such, the District, District No. 1, and District No. 3 terminated the Administrative Services Agreement by the approval and execution of that certain Termination of District Administrative Services Agreement, effective January 1, 2021.

**Cost Sharing and Reciprocal Easement Agreement**

As a result of the Termination of District Administrative Services Agreement, the District and District No. 3 each became responsible for the ownership, operation, and maintenance of public improvements within each of their boundaries. However, certain landscaping improvements within the District and District No. 3 are serviced by interconnected and shared irrigation systems. As such, the District and District No. 3 entered into that certain Cost Sharing and Reciprocal Easement Agreement, effective January 1, 2021 (the Cost Sharing Agreement), pursuant to which the District is responsible for the operation and maintenance of the landscaping and the irrigation system within both the District and District No. 3, with District No. 3 being obligated to reimburse District No. 2 for its share of the costs thereof, as more fully provided in the Cost Sharing Agreement.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Agreement Regarding Maintenance Fees**

As discussed in relation to the Termination of District Administrative Services Agreement and the Cost Sharing Agreement, the District is responsible for the ownership, operation, and maintenance of the public improvements within its boundaries. Included in those public improvements are a central park area, a dog park, and other landscaped areas. The District imposes an operations and maintenance fee upon the residential properties within the boundaries of the District to fund the same. There are or will be residential units within District No. 3 which derive the same benefit from the operation and maintenance of such improvements in the same manner as the residents in the District. As such, the District and District No. 3 entered into that certain Agreement Regarding Maintenance Fees, effective January 1, 2021, pursuant to which District No. 3 has agreed to impose an operation and maintenance fee upon the residential units within its boundaries in the same amount and in the same manner as the District imposes such a fee on similar residential units within its boundaries, and then to remit the revenue from such fee to District No. 2.

**Allocation Agreement**

The District and District No. 3 entered into that certain Allocation Agreement, dated July 28, 2020 (the Allocation Agreement) in anticipation of the issuance of bonds by District No. 3. There is currently in place that certain Declaration of Covenants Imposing and Implementing Public Improvement Fee, recorded in the real property records of Arapahoe County, Colorado on June 5, 2014, at Reception Number D404245 (the PIF Covenant), pursuant to which a public improvement fee is charged on certain retail sales made within the boundaries of the District, District No. 1, and District No. 3. The revenue from such public improvement fees collected in accordance with the PIF Covenant is remitted to District No. 2 and is pledged to bonds previously issued by District No. 2. Pursuant to the Allocation Agreement, subject to certain conditions precedent to the issuance of bonds by District No. 3 and other conditions set forth therein, District No. 2 agrees to assign to District No. 3 certain excess revenue received by District No. 2 from the public improvement fee imposed under the PIF Covenant, which excess revenue can then be pledged to the District No. 3 bonds.

**NOTE 8 RISK MANAGEMENT**

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 5, 2013, the District voters passed an election question to increase property taxes \$5,000,000 annually as adjusted for inflation, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As of December 31, 2022, the District has not provided for an emergency reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR, because net tax revenue is transferred to District No. 1, the Operating District, which provides for the required reserve amount.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 942,361	\$ 942,355	\$ 942,355	\$ -
Specific Ownership Taxes	65,965	65,965	59,496	(6,469)
Net Investment Income	2,000	50,151	42,945	(7,206)
Public Improvement Fees	45,000	43,150	43,150	-
Transfer from District No. 3	176,243	170,846	170,846	-
Total Revenues	<u>1,231,569</u>	<u>1,272,467</u>	<u>1,258,792</u>	<u>(13,675)</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	14,135	14,135	14,143	(8)
Contingency	5,147	4,844	-	4,844
Bond Interest - Series 2015	565,718	565,719	565,719	-
Bond Interest - Series 2018B	519,000	536,262	536,262	-
Bond Principal - Series 2015	140,000	140,000	140,000	-
Paying Agent Fees	7,000	7,600	7,600	-
PIF Collection Fees	3,000	3,440	3,440	-
Total Expenditures	<u>1,254,000</u>	<u>1,272,000</u>	<u>1,267,164</u>	<u>4,836</u>
<b>NET CHANGE IN FUND BALANCES</b>	(22,431)	467	(8,372)	(8,839)
Fund Balances - Beginning of Year	<u>1,986,030</u>	<u>1,981,719</u>	<u>1,981,719</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 1,963,599</u></u>	<u><u>\$ 1,982,186</u></u>	<u><u>\$ 1,973,347</u></u>	<u><u>\$ (8,839)</u></u>

## **OTHER INFORMATION**

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2022**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
			\$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
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	\$ 10,385,000	\$ 8,774,151	\$ 19,159,151



**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2  
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND  
PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 8,932,645	11.055	44.222	\$ 493,769	\$ 493,770	100.00 %
2019	12,456,259	11.055	44.222	688,545	688,365	99.97
2020	14,681,486	11.132	44.531	817,215	817,035	99.98
2021	18,856,833	11.132	44.531	1,049,628	1,049,636	100.00
2022	21,161,903	11.132	44.531	1,177,935	1,177,927	99.99
Estimated for the Year Ending December 31, 2023	\$ 20,573,280	11.525	46.105	\$ 1,185,638		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.