

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
ANNUAL REPORT
TO
THE CITY OF LITTLETON
FISCAL YEAR ENDING DECEMBER 31, 2023**

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 1st of the subsequent year. For the year ending December 31, 2023, 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, 2023.

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, 2023.

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, 2023.

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 \$23,971,573.

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

A copy of the District’s 2024 budget is attached hereto as **Exhibit A**.

The District is completely built out and no Public Improvements will be constructed by the District during the year ending December 31, 2024.

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 has filed a Request for Extension of Audit for 2023. The District anticipates filing its 2023 Audit on or before September 30, 2024. This report will be supplemented when the 2023 Audit is available.

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 31st day of July, 2024.

Fritsche Law LLC


By 
Joan M. Fritsche
Attorney for the District

EXHIBIT A
2024 BUDGET ATTACHED

Littleton Village Metropolitan District No. 2
Annual Budget
For Year Ending December 31, 2024

MORAIN | BAKARICH
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Littleton Village Metropolitan District No. 2
Littleton, Colorado

Management is responsible for the accompanying general fund, maintenance fund, debt service fund, capital projects fund and combined funds budgets of the estimated revenues, expenditures, and fund ending fund balances of Littleton Village Metropolitan District No. 2 for the year ending December 31, 2024, including estimated comparative information for the year ending December 31, 2023, and the actual comparative information for the year ending December 31, 2022, in the format prescribed by C.R.S. §§ 29-1-103 and 29-1-105.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budgets, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budgets.

The budgeted results may not be achieved as there will generally be differences between the budgeted and actual results. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying budgets and this report were prepared for the purpose of estimating revenues, expenditures and fund balances as required by governmental entities within the State of Colorado in accordance with C.R.S. §§ 29-1-103 and 29-1-105, and should not be used for any other purpose. The accompanying budgets are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Littleton Village Metropolitan District No. 2.

Morain Bakarich, CPAs

MORAIN BAKARICH CPAs
December 31, 2023

LITTLETON VILLAGE METROPOLITAN DISTRICT NO.2
SUMMARY - COMBINED FUNDS
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

	2022 ACTUAL	2023 ADOPTED BUDGET	2023 AMENDED	2023 ESTIMATED	2024 ADOPTED BUDGET
Beginning Fund Balance	\$ 2,235,998	\$ 2,368,884	\$ 2,378,692	\$ 2,419,081	\$ 1,066,130
REVENUES:					
Property Taxes	1,177,927	1,185,638	1,185,638	1,185,638	954,069
Specific Ownership Taxes	74,369	71,138	74,951	75,830	60,100
Net Investment Income	50,281	15,100	120,100	156,050	40,075
Administrative Fee	4,133	4,140	4,140	4,140	4,140
Maintenance Fee	431,533	500,200	500,200	501,600	592,000
Maintenance Fee - Transfer from District No. 3	-	44,000	44,000	35,600	47,500
Domestic Water Fee	41,122	38,000	38,000	38,000	55,000
Transfer from District No. 3	170,846	166,096	166,096	166,096	190,977
Public Improvement Fees	43,150	45,000	40,000	40,000	42,500
Permits & Other Fees	-	-	-	5,350	1,000
Transfer from General Fund	-	-	-	-	270,000
Transfer from Maintenance Fund	-	-	-	-	168,000
Total Revenues	1,993,361	2,069,312	2,173,125	2,208,304	2,425,361
Total Funds Available	4,229,359	4,438,196	4,551,817	4,627,385	3,491,491
EXPENDITURES:					
General Fund	110,825	175,000	175,000	192,100	472,700
Maintenance Fund	432,289	482,000	482,000	427,433	716,500
Debt Service Fund	1,267,164	1,232,000	747,000	741,722	961,475
Capital Projects Fund	-	-	-	-	195,500
Total Expenditures	1,810,278	1,889,000	1,404,000	1,361,255	2,346,175
Other Sources (Uses)					
Transfer In - Repair and Replacement Reserve	-	-	-	-	250,000
Transfer Out - Repair and Replacement Reserve	-	-	-	-	(250,000)
Bond Proceeds	-	-	19,000,000	19,000,000	-
Payments to Refunding Escrow	-	-	(20,700,000)	(20,700,000)	-
Bond Issuance Costs	-	-	(400,000)	(400,000)	-
Bond Discount	-	-	(100,000)	(100,000)	-
Total Other Sources (Uses)	-	-	(2,200,000)	(2,200,000)	-
Total Expenditures And Transfers Out Requiring Appropriation	1,810,278	1,889,000	22,604,000	22,561,255	2,596,175
CHANGE IN FUND BALANCE	\$ 183,083	\$ 180,312	\$ (1,430,875)	\$ (1,352,951)	\$ 79,186
Ending Fund Balance	\$ 2,419,081	\$ 2,549,196	\$ 947,817	\$ 1,066,130	\$ 1,145,316
FUND BALANCE CLASSIFICATION					
REPAIR AND REPLACEMENT RESERVE	\$ -	\$ -	\$ -	\$ -	250,000
PIF RESERVES - RESTRICTED	-	-	-	-	35,000
RESTRICTED - DEBT SERVICE	-	-	361,699	366,977	360,832
REQUIRED RESERVE - SERIES 2015	880,075	880,075	-	-	-
SURPLUS RESERVE - SERIES 2015	1,093,272	1,083,003	-	-	-
EMERGENCY RESERVE	22,100	25,200	25,200	26,200	29,700
UNRESTRICTED	423,634	560,918	560,918	672,953	469,784
TOTAL FUND BALANCE	\$ 2,419,081	\$ 2,549,196	\$ 947,817	\$ 1,066,130	\$ 1,145,316

LITTLETON VILLAGE METROPOLITAN DISTRICT NO.2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

	2022 ACTUAL	2023 ADOPTED BUDGET	2023 ESTIMATED	2024 ADOPTED BUDGET
ASSESSED VALUATION:				
Residential	\$ 20,537,137	\$ -	\$ -	\$ -
Residential - Single-Family	-	13,284,740	13,284,740	15,533,630
Residential - Multi-Family	-	6,702,080	6,702,080	7,661,115
Commercial	303,471	299,570	299,570	295,553
State Assessed	320,860	2,820	2,820	2,900
Vacant Land	435	435	435	140
Personal Property	-	283,635	283,635	478,235
Certified Assessed Value	\$ 21,161,903	\$ 20,573,280	\$ 20,573,280	\$ 23,971,573

MILL LEVY:

General	11.132	11.525	11.525	10.000
Debt Service	44.531	46.105	46.105	29.800
Total Mill Levy	55.663	57.630	57.630	39.800

PROPERTY TAXES:

General	\$ 235,574	\$ 237,107	\$ 237,107	\$ 239,716
Debt Service	942,361	948,531	948,531	714,353
Levied Property Taxes	1,177,935	1,185,638	1,185,638	954,069
Adjustments to Actual/Rounding	(8)	-	-	-
Budgeted Property Taxes	\$ 1,177,927	\$ 1,185,638	\$ 1,185,638	\$ 954,069

BUDGETED PROPERTY TAXES:

General	\$ 235,574	\$ 237,107	\$ 237,107	\$ 239,716
Debt Service	942,361	948,531	948,531	714,353
	\$ 1,177,935	\$ 1,185,638	\$ 1,185,638	\$ 954,069

LITTLETON VILLAGE METROPOLITAN DISTRICT NO.2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

	2022 ACTUAL	2023 ADOPTED BUDGET	2023 AMENDED BUDGET	2023 ESTIMATED	2024 ADOPTED BUDGET
Beginning Fund Balance	\$ 116,453	\$ 225,471	\$ 256,204	\$ 256,204	\$ 316,366
REVENUES:					
Property Taxes	235,572	237,107	237,107	237,107	239,716
Specific Ownership Taxes	14,873	14,226	14,226	15,105	15,100
Net Investment Income	131	100	100	50	75
Total Revenues	250,576	251,433	251,433	252,262	254,891
Total Funds Available	367,029	476,904	507,637	508,466	571,257
EXPENDITURES:					
General And Administrative					
County Treasurer's Fee	3,536	3,557	3,557	3,600	3,700
Accounting	43,414	48,000	68,000	68,000	58,000
Audit	3,500	4,000	5,500	5,500	6,000
Dues and Licenses	422	1,000	1,000	500	1,000
District Management	19,902	33,000	53,000	53,000	45,000
Election Expense	4,456	10,000	10,000	2,500	-
Legal Services	28,224	44,000	50,000	50,000	51,500
Miscellaneous	-	-	1,500	1,500	2,500
Social Committee	-	-	-	-	15,000
District No. 1's Expenses	7,346	25,000	25,000	7,500	-
Contingency	25	6,443	6,443	-	20,000
Transfer to Capital Projects Fund	-	-	-	-	270,000
Total Expenditures	110,825	175,000	224,000	192,100	472,700
Total Expenditures And Transfers Out Requiring Appropriation	110,825	175,000	224,000	192,100	472,700
Estimated Change in Fund Balance	\$ 139,751	\$ 76,433	\$ 27,433	\$ 60,162	\$ (217,809)
Ending Fund Balance	\$ 256,204	\$ 301,904	\$ 283,637	\$ 316,366	\$ 98,557
Fund Balance Classification:					
Emergency Reserve	\$ 7,600	\$ 7,600	\$ 7,600	\$ 7,600	\$ 7,700
Unrestricted	248,604	294,304	276,037	308,766	90,857
Total Fund Balance	\$ 256,204	\$ 301,904	\$ 283,637	\$ 316,366	\$ 98,557

LITTLETON VILLAGE METROPOLITAN DISTRICT NO.2
MAINTENANCE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

	2022	2023	2023	2024
	ACTUAL	ADOPTED BUDGET	ESTIMATED	ADOPTED BUDGET
Beginning Fund Balance	\$ 137,826	\$ 179,874	\$ 189,530	\$ 382,787
REVENUES:				
Administrative Fee	4,133	4,140	4,140	4,140
Maintenance Fee	431,533	500,200	501,600	592,000
Domestic Water Fee	41,122	38,000	38,000	55,000
Maintenance Fee - Transfer from District No. 3	-	44,000	35,600	47,500
Net Investment Income	7,205	-	36,000	35,000
Permits and Other Fees	-	-	5,350	1,000
Total Revenues	483,993	586,340	620,690	734,640
Total Funds Available	621,819	766,214	810,220	1,117,427
EXPENDITURES:				
General And Administrative				
Billing Services	22,822	24,000	21,800	24,000
Insurance and Bonds	11,619	13,000	13,000	15,000
Property Management	19,902	33,000	30,000	35,000
Contingency	-	8,000	-	5,000
Operations and Maintenance				
Electricity and Utility Inspections	1,565	1,000	2,133	2,500
Pet Waste Removal	8,658	15,000	10,000	15,000
Irrigation Repairs	12,967	25,000	20,000	25,000
Domestic Water	41,122	38,000	52,000	55,000
Irrigation Water	63,102	65,000	45,500	70,000
Snow Removal	91,361	90,000	50,000	100,000
Trash	41,528	48,000	43,000	45,000
Repairs and Maintenance - General	-	-	-	5,000
Landscape Maintenance	78,972	82,000	90,000	85,000
Landscape Repairs	38,671	40,000	50,000	50,000
Landscape Projects:				
Shrub & Grass Replanting	-	-	-	10,000
Irrigation Audit	-	-	-	3,000
Stump Removal	-	-	-	3,000
Power Washing and Staining	-	-	-	1,000
Transfers to Capital Projects Fund	-	-	-	168,000
Total Expenditures	432,289	482,000	427,433	716,500
Total Expenditures And Transfers Out Requiring Appropriation	432,289	482,000	427,433	716,500
Estimated Change in Fund Balance	\$ 51,704	\$ 104,340	\$ 193,257	\$ 18,140
Ending Fund Balance	\$ 189,530	\$ 284,214	\$ 382,787	\$ 400,927
FUND BALANCE CLASSIFICATION				
Emergency Reserve	\$ 14,500	\$ 17,600	\$ 18,600	\$ 22,000
Unrestricted Fund Balance	175,030	266,614	364,187	378,927
TOTAL FUND BALANCE	\$ 189,530	\$ 284,214	\$ 382,787	\$ 400,927

LITTLETON VILLAGE METROPOLITAN DISTRICT NO.2
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

	2022 ACTUAL	2023 ADOPTED BUDGET	2023 AMENDED BUDGET	2023 ESTIMATED	2024 ADOPTED BUDGET
Beginning Fund Balance	\$ 1,981,719	\$ 1,963,539	\$ 1,973,347	\$ 1,973,347	\$ 366,977
REVENUES:					
Property Taxes	942,355	948,531	948,531	948,531	714,353
Specific Ownership Taxes	59,496	56,912	60,725	60,725	45,000
Net Investment Income	42,945	15,000	120,000	120,000	5,000
Transfers from District No. 3	170,846	166,096	166,096	166,096	190,977
Public Improvements Fees	43,150	45,000	40,000	40,000	-
Total Revenues	<u>1,258,792</u>	<u>1,231,539</u>	<u>1,335,352</u>	<u>1,335,352</u>	<u>955,330</u>
Total Funds Available	<u>3,240,511</u>	<u>3,195,078</u>	<u>3,308,699</u>	<u>3,308,699</u>	<u>1,322,307</u>
EXPENDITURES:					
General And Administrative					
County Treasurer's Fee	14,143	14,228	14,228	14,228	11,000
Paying Agent Fees & Bank Fees	7,600	11,000	13,500	13,500	15,000
PIF Collection Fees	3,440	3,500	6,000	5,800	-
Contingency	-	5,078	5,078	-	5,000
Debt Service					
Bond Interest - Series 2023	-	-	-	-	830,475
Bond Interest - Series 2015	565,719	558,194	558,194	558,194	-
Bond Interest - Series 2018B	536,262	490,000	-	-	-
Bond Principal - Series 2023	-	-	-	-	100,000
Bond Principal - Series 2015	140,000	150,000	150,000	150,000	-
Total Expenditures	<u>1,267,164</u>	<u>1,232,000</u>	<u>747,000</u>	<u>741,722</u>	<u>961,475</u>
Other Sources (Uses)					
Bond Proceeds	-	-	19,000,000	19,000,000	-
Payments to Refunding Escrow	-	-	(20,700,000)	(20,700,000)	-
Bond Issuance Costs	-	-	(400,000)	(400,000)	-
Bond Discount	-	-	(100,000)	(100,000)	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,200,000)</u>	<u>(2,200,000)</u>	<u>-</u>
Total Expenditures And Other Uses Requiring Appropriation	<u>1,267,164</u>	<u>1,232,000</u>	<u>21,947,000</u>	<u>21,941,722</u>	<u>961,475</u>
Estimated Change in Fund Balance	\$ (8,372)	\$ (461)	\$ (1,611,648)	\$ (1,606,370)	\$ (6,145)
Ending Fund Balance	<u>\$ 1,973,347</u>	<u>\$ 1,963,078</u>	<u>\$ 361,699</u>	<u>\$ 366,977</u>	<u>\$ 360,832</u>
FUND BALANCE CLASSIFICATION					
RESTRICTED - DEBT SERVICE	\$ -	\$ -	\$ 361,699	\$ 366,977	\$ 360,832
REQUIRED RESERVE - SERIES 2015	880,075	880,075	-	-	-
SURPLUS RESERVE - SERIES 2015	1,093,272	1,083,003	-	-	-
TOTAL FUND BALANCE	<u>\$ 1,973,347</u>	<u>\$ 1,963,078</u>	<u>\$ 361,699</u>	<u>\$ 366,977</u>	<u>\$ 360,832</u>

LITTLETON VILLAGE METROPOLITAN DISTRICT NO.2
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

	2022 ACTUAL	2023 ADOPTED BUDGET	2023 ESTIMATED	2024 ADOPTED BUDGET
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
REVENUES:				
Transfers In - General Fund	-	-	-	270,000
Transfers In - Maintenance Fund	-	-	-	168,000
Public Improvements Fees				42,500
Total Revenues	-	-	-	480,500
Total Funds Available	-	-	-	480,500
EXPENDITURES:				
Landscape Improvements:				
Concrete	-	-	-	20,000
Sidewalks	-	-	-	32,000
Railings	-	-	-	20,000
Playground Equipment	-	-	-	15,000
Irrigation Smart Controller	-	-	-	30,000
Xeriscaping Plan	-	-	-	20,000
Tree Planting	-	-	-	11,000
Sinkhole, Mulch/Rock Xeriscape	-	-	-	40,000
PIF Collection Fees	-	-	-	7,500
Total Expenditures	-	-	-	195,500
Other Sources (Uses)				
Transfer in Repair and Replacement Reserve	-	-	-	250,000
Transfer (to) Repair and Replacement Reserve	-	-	-	(250,000)
Total Other Sources (Uses)	-	-	-	-
Total Expenditures And Other Uses Requiring Appropriation	\$ -	\$ -	\$ -	\$ 445,500
Estimated Change in Fund Balance	\$ -	\$ -	\$ -	\$ 285,000
Ending Fund Balance	\$ -	\$ -	\$ -	\$ 285,000
Fund Balance Classification:				
Repair and Replacement Reserve - Restricted	\$ -	\$ -	\$ -	\$ 250,000
PIF Reserves - Restricted	-	-	-	35,000
Unrestricted	-	-	-	-
Total Fund Balance	\$ -	\$ -	\$ -	\$ 285,000

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Disclosures contained in this summary as presented by the Directors, are those that are believed to be significant to the accompanying budgets but are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2024 annual budgets. Actual results may differ from the prospective and budgeted figures contained in the budgets.

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, and to provide covenant enforcement and design review services, and parks and recreation facilities.

On November 5, 2013, the District's voters approved 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, as adjusted, 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 C.R.S. §§ 29-1-103 and 29-1-105 using its best estimates as of the date of the budget hearing and preliminary assessed valuations. 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 1st of each year. The levy is normally set by December 15th by certification of the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (continued)

Property Taxes (continued)

The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's 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 SB23B-001 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 2024, the assessment rate for single family and multi-family residential property was changed from 6.765% to 6.70%. SB23B-001 also increases the actual value deduction for residential property from \$15,000 to \$55,000. Districts with less than 15% assessed valuation increase are eligible for backfill funding under the bill.

The District had adopted and certified a general fund mill levy equal to 10.000 mills, which will generate sufficient property tax revenue to maintain operating reserves equal to six (6) months of operating expenditures. The District has also adopted and certified a 29.800 mill levy for debt service obligations.

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 collects public improvement fees (PIF) from retailers in Littleton Village Metropolitan Districts No. 2 and No. 3. The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sales of good at a rate of .75%, in addition to all the sales and use taxes that maybe imposed and is collected by the retailers in the District and remitted to the District within 20 days after the month end.

Maintenance Fees

The District established a maintenance fee of \$208 per quarter for each Single-Family residential unit, \$278 per quarter for each Multi-Family residential unit, \$158 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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (continued)

Domestic Water Fees

The District established a domestic water fee of \$100 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 or \$7.50 per quarter 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 Senior 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 2023 Special Revenue Bonds.

Expenditures:

Treasurer's Fees

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

Transfers

The District has budgeted transfers of \$270,000 and \$168,000 to the capital projects fund from both the general and maintenance funds in 2024, respectively. Transfer will be used to fund various capital improvements throughout the District and fund a repair and replacement reserve for future capital needs.

Maintenance Fund Expenditures

The District has budgeted 2024 maintenance fund expenditures to be \$716,500. Maintenance fund expenditures include domestic and irrigation water purchases, snow removal, landscape and hardscape repairs and maintenance, trash and pet waste removal.

Debt Service Expenditures

Principal and interest payments in 2024 are provided based upon the debt amortization schedule from the Series 2023 Bonds discussed under Long Term Debt. The District's 2024 budget includes \$100,000 of principal retirements and \$830,475 of bond interest payments relating to the Series 2023 bonds.

Lease Purchase Agreements

The District is not a party to any lease purchase agreements, nor does it contemplate entering any lease purchase transactions in 2024.

Emergency Reserves

As required by Section 20 of Article X of the Colorado Constitution ("TABOR"), the District has provided for an emergency reserve in the amount of 3% of the total fiscal year spending.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Long Term Debt:

Limited Tax General Obligation Refunding Bonds, Series 2023

In December 2023, the District authorized the issuance of Limited Tax General Obligation Refunding Bonds, Series 2023 (“Series 2023 Bonds”) in the aggregate principal amount of \$18,450,000. The Series 2023 Bonds were issued for the purposes of (i) refunding all of the District’s outstanding obligations of the 2014A, 2014B, 2015 and 2018B Series Bonds and (ii) paying costs in connection with the issuance of the Bonds.

The Series 2023 bonds are limited tax general obligations, secured by and payable solely from the Pledged Revenue, consisting of the following sources: (i) all Property Tax Revenues of the District and of Littleton Village Metropolitan District No. 3’s (“District No. 3”), derived from the imposition of the Required Mill Levy (as defined in the Pledge Agreement); (ii) all Specific Ownership Tax Revenues; (iii) all PILOT Revenues (if any); and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund. The Bonds are also secured by amounts on deposit in the Reserve Fund, which is satisfied by the provision of a Reserve Policy in the amount of the Reserve Requirement issued concurrently with the Bonds.

The following is a summary of the principal and interest maturities on the Series 2023 Bonds:

Years	Ending	Principal	Interest	Total
	2024	\$ 100,000	\$ 830,475	\$ 930,475
	2025	175,000	854,113	1,029,113
	2026	220,000	845,363	1,065,363
	2027	235,000	834,363	1,069,363
	2028	265,000	822,613	1,087,613
	2029	280,000	809,363	1,089,363
	2030	310,000	795,363	1,105,363
	2031	330,000	779,863	1,109,863
	2032	365,000	763,363	1,128,363
	2033	385,000	745,113	1,130,113
	2034-2038	2,385,000	3,450,113	5,835,113
	2039-2043	3,215,000	2,888,500	6,103,500
	2044-2048	4,350,000	2,056,456	6,406,456
	2049-2053	5,835,000	874,444	6,709,444
	Total	\$ 18,450,000	\$ 17,349,501	\$ 35,799,501