

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2

405 Urban Street, Suite 310

Lakewood, CO 80228

Phone: 720-213-6621

<https://littletonvillagemd2.com/>

NOTICE OF CONTINUED SPECIAL MEETING AND AGENDA

DATE: Monday, November 25, 2024

TIME: 4:00 p.m.

VIRTUAL: To Join Meeting Via Zoom:
<https://us02web.zoom.us/j/7636703470>
Meeting ID: 763 670 3470
To Join by phone: 1 (720) 707-2699
no participant code needed (press #)

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Jim Bowlby, Jr	President	May, 2027
Zach Tedeschi	Secretary	May, 2027
Jose Briones-Siria	Treasurer	May, 2025
Thomas Browning	Assistant Secretary	May, 2025
Matthew Burton	Assistant Secretary	May, 2027

I. ADMINISTRATIVE MATTERS

- A. Call to order and approval of agenda.
- B. Confirm quorum, location of meeting, posting of meeting notice.
- C. Present disclosures of potential conflicts of interest.

II. CONSENT AGENDA

- A. Ratify approval of 2024/2025 Master Snow Management Agreement with BrightView (enclosures).

III. FINANCIAL MATTERS

- A. Conduct public hearing to consider amendment of the 2024 Budget and consider adoption of Resolution to Amend the 2024 Budget (enclosure).
- B. Consider approval of 2023 Final Audit (enclosure).

IV. OTHER BUSINESS

V. PUBLIC COMMENT

- A. Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

VI. ADJOURNMENT

There are no more regular meetings scheduled for 2024.



Master Snow Management Agreement

2024

Client Name:	Littleton Village Metro District #2		
Street Address:	405 Urban St., Suite 310 Lakewood, CO 80228		
Office Phone:	303-265-7910	Office Fax:	
Contact Name:	Mark Mcgary	Contact Title:	Community Manager
Contact Phone:	303-265-7910	Contact Email:	Mark@publicalliancellc.com

This agreement ("Agreement") is entered into as of the Effective Date between the above client ("Client"), and BrightView Landscape Services, Inc. ("BrightView"). Client and BrightView are sometimes referred to herein individually as a "Party" and collectively as the "Parties". The Parties agree that BrightView or its affiliates (each, a "Provider") may provide Services under this Agreement in accordance with an executed Service Order substantially in the form of Exhibit attached hereto.

1. SERVICES: During the Term (defined below) of this Agreement, Client may engage BrightView to perform (i) snow maintenance, salting, hauling, or other general snow-related services or (ii) property enhancement services (collectively, the "Services"). The location of the performance of Services (each a "Service Location"), a complete description of the Services, the term of Services, and applicable pricing shall be set forth in a Service Order that is provided by BrightView, separately executed by the parties, and references this Agreement. Client shall provide adequate access to each Service Location for performing the Services and, if required, Client shall provide storage and any other items designated on the Service Order. Changes to a Service Order, including, additional services or fees, shall be set forth in writing that is executed by the parties hereto.

BrightView shall select all materials and equipment that will be used in connection with the Services. To the extent that Client requires BrightView to use materials or equipment that was not selected by BrightView ("Client Materials"), BrightView shall have no obligation to Client for any damage caused by Services rendered hereunder to the extent such damages are caused directly or indirectly by the use of any Client Materials.

2. SERVICE FEES: In consideration for Services rendered hereunder, Client shall pay BrightView the service fees indicated on the applicable Service Order, subject to adjustments described below (the "Service Fees"). Payment of all Service Fees shall be due and

payable thirty (30) days after the date of BrightView's invoice. A late charge equal to the greater of 1.5% per month or the highest amount permitted by law, shall be applied to any overdue Service Fees and promptly paid by Client. In addition to this late charge, Client shall reimburse BrightView for all costs and expenses (including but not limited to attorneys' fees and court costs) which are reasonably incurred by BrightView in collecting overdue Service Fees and late charges.

In the event that, during the performance of Services under any Service Order, the cost of materials or fuel (collectively, "Variable Costs") required by BrightView to perform the Services increases by more than twenty percent (20%) over the Variable Costs on the date of execution of the Service Order, the Service Fee under said Service Order shall be increased by an amount equal to the increase in the Variable Costs. All cost increases shall be documented by BrightView through quotes, invoices, or receipts and provided to Client upon request.

3. TERM: The term of this Agreement ("Term") shall commence on the Effective Date and shall remain in effect until terminated in accordance with the terms herein.

4. WORK ORDERS. If Client requests services from BrightView that are not set forth on the Scope of Services or at a worksite for which there is no attached Scope of Services, then BrightView may elect in its sole discretion to furnish such additional services and any related goods and materials pursuant to a written work authorization signed by Client (each signed written work authorization, a "Work Order"). For services, goods, or materials furnished pursuant to a Work Order, payment shall be due from Client to BrightView as specified by such Work Order or, if unspecified in such Work Order, then upon delivery of the services, goods, and materials identified in the Work Order (the "Work Order Charges"). Notwithstanding the foregoing, if BrightView reasonably believes that an imminent danger or hazard exists as a

result of snow and ice conditions on the Property, BrightView may at its sole discretion, perform Additional Services to remove such danger or hazard, even if the Additional Services have not been authorized by Client and falls outside the Contract Duties. BrightView shall be reimbursed for such services on a time and material basis.

5. TERMINATION: Either Client or BrightView may terminate this Agreement and/or any Service Order as follows: (i) without cause by giving sixty (60) days' prior written notice to the other party; (ii) immediately in the event that the other party materially breaches any term of this Agreement or any Service Order, and fails to cure such breach within thirty (30) days after receiving written notice thereof; (iii) immediately upon written notice to the other party if: (a) the other party or record owner of any Service Location makes an assignment for the benefit of creditors, (b) a petition of bankruptcy is filed by or against the other party, or (c) all or substantially all of the other party's property is levied upon or sold in a judicial proceeding.

If Client terminates this Agreement without cause prior to end of the then current term, Client will, within fifteen (15) days of the Termination Date, pay BrightView (i) all amounts owed to date for Services performed and (ii) to compensate BrightView for having to allocate employees and resources to the Landscapes Sites, an amount equal to what BrightView would have earned if the Agreement remained in effect through the end of the then current term (as calculated in accordance with this Agreement and/or any Service Order.

Notwithstanding anything herein to the contrary, BrightView may delay or cancel performance of Services at any Service Location, in its sole discretion, if Client fails to pay any Service Fees, late charges, and collection costs due under this Agreement and/or any Service Order or foreclosure proceedings are initiated with respect to such Service Location. Furthermore, and without limiting any of the foregoing, if Client fails to timely pay any Service Fee, Work Order Charges, or administrative fees due under this Agreement, BrightView may also elect, in its sole discretion, to suspend Services for any other Agreement between Client and BrightView. In addition to the foregoing, any BrightView affiliate may also suspend Services for any other Agreement between Client and BrightView affiliate.

Termination of this Agreement alone will not result in the termination of any previously entered into Service Order, and the terms of this Agreement will continue in effect for purposes of such Service Order, and the sole effect of terminating this Agreement will be to terminate the ability of either party to enter into subsequent Service Orders that incorporate the terms of this Agreement.

Master Snow Management Agreement

Upon any termination of this Agreement or a Service Order, Client shall pay BrightView for all fees and expenses accrued by BrightView up to and including the effective date of termination at the rates set forth in the applicable Service Order. Sections 2, 5, 6, 7, 8 and 12 shall survive the expiration or termination of this Agreement or any Service Order.

6. REPRESENTATIONS AND WARRANTIES: Each party represents and warrants on behalf of itself that it has full power and authority to enter into this Agreement and that this Agreement is a legally binding obligation. BrightView further represents and warrants that it will perform the Services in accordance with all applicable workplace safety requirements and standards promulgated by federal, state, and local authorities.

7. INDEMNIFICATION: As may be limited by applicable state law, BrightView agrees to indemnify, hold harmless and defend Client from and against any and all liability for loss, damage or expense, resulting from third party claims, for which Client may be held liable by reason of bodily injury or property damage to the extent caused by the negligent acts or omissions of BrightView during the performance of the Services, expressly excluding any damage or loss resulting from the use of Client Materials or caused by or relating to the negligence or willful misconduct of Client.

BrightView or each affiliate, as applicable, will be severally (and not jointly and severally) liable for the performance or breach under this Agreement entered into by BrightView or affiliate.

8. LIMITATION OF LIABILITY: BrightView's total liability for any losses, damages, and expenses of any type whatsoever incurred by Client or any of its affiliates, guests, tenants, invitees, and lessees ("Losses"), which are caused directly or indirectly by acts or omissions of BrightView in connection with, or related to, the Services hereunder, including but not limited to any breach of BrightView's obligations hereunder, shall be limited solely to direct and actual damages in an aggregate amount not to exceed the amounts actually paid to BrightView hereunder. In no event will BrightView be liable for special, indirect, incidental or consequential damages, irrespective of the form or cause of action, in contract, tort or otherwise, whether or not the possibility of such damages has been disclosed to BrightView in advance or could have been reasonably foreseen by BrightView. Further, BrightView shall not be liable for any losses resulting from the provision of services or performance of any work hereunder, if such Losses are due to causes of conditions beyond its reasonable control and BrightView shall only be responsible for Losses determined by a court of competent jurisdiction to have been caused solely by BrightView's gross negligence or willful misconduct.

Master Snow Management Agreement

9. INSURANCE: Prior to commencement of any work under a Service Order, BrightView shall, at its sole expense, maintain the following types of insurance on its own behalf with insurance companies lawfully authorized to do business in the jurisdiction in which the work is located and, upon request, furnish to Client Certificates of Insurance evidencing the same.

(a) Workers' Compensation and Employers Liability: in the State in which the work is to be performed and elsewhere as may be required.

(i) Workers' Compensation Coverage: Statutory Requirements

(ii) Employers Liability Limits not less than:

Bodily Injury by Accident: \$1,000,000 Each Accident

Bodily Injury by Disease: \$1,000,000 Each Employee

Bodily Injury by Disease: \$1,000,000 Policy Limit

(iii) Including Waiver of Right to Recover from Others Endorsement (WC 00 0313) where permitted by state law, naming Client.

(b) Commercial General Liability: (including Premises Operations, Independent Contractors, Products/Completed Operations, Personal Injury, and Broad Form Property Damage).

Occurrence Form with the following limits:

(i) General Aggregate: \$4,000,000

(ii) Products/Completed Operations Aggregate: \$2,000,000

(iii) Each Occurrence: \$2,000,000

(iv) Personal and Advertising Injury: \$2,000,000

(c) Automobile Liability:

(i) Coverage to include All Owned, Hired and Non-Owned Vehicles (Any Auto)

(ii) Per Accident Combined Single Limit \$2,000,000

(d) Commercial Umbrella Liability:

(i) Occurrence Limit: \$10,000,000

(ii) Aggregate Limit: \$10,000,000

(e) Financial Rating and Admitted Status of Insurance Companies:

(i) A.M. Best Rating: A- (Excellent) or Higher

(ii) A.M. Best Financial Size Category: Class VII or Higher

10. DISCLAIMER. By signing this Agreement, Client acknowledges and agrees that (a) snow or ice may accumulate while Services are being performed, (b) even when there is no precipitation present, snow may blow or drift onto a Service Location or be brushed onto

cars, parking, and driving areas or walkways, and (c) properly plowed snow may melt and refreeze after Services are fully performed. Accordingly, Client understands and agrees that (i) BrightView cannot guarantee that the performance of the Services will remove all snow and ice from any Service Location, and (ii) some snow or ice may still be present at a Service Location during or after the performance of Services.

11. FORCE MAJEURE: BrightView's performance will be excused to the extent BrightView is unable to perform as a result of strikes, accidents, acts of God, extreme weather conditions, inability to secure labor and/or products, fire, earthquake and rules, regulations or restrictions imposed by any government or governmental agency, national or regional emergency, epidemic, pandemic, health related outbreak or other medical events not caused by one of the Parties, other delays or failure of performance beyond the commercially reasonable control of BrightView.

12. NOTICES: Any notice required by this Agreement or any Service Order shall be in writing and given by hand delivery confirmed email transmission or by depositing such written notice in the U.S. mail, certified and postage prepaid. In the case of Client, notices shall be sent to the party at the address set forth in the preamble to this Agreement. In the case of BrightView, notices shall be sent to the branch address listed in the Service Order with a copy to BrightView, 980 Jolley Road, Suite 300, Blue Bell, PA 19422, Attn: Office of the General Counsel.

Client must provide at least 10 days' prior written notice to BrightView, Attn.: Legal Department/Contracts, 980 Jolley Road, Suite 300, Blue Bell, PA 19422 if: (i) Service Fees required to be paid pursuant to this Agreement or any Service Order are subject to a bona fide dispute and (ii) Client intends to pay, in full satisfaction of such disputed Service Fees, less than the amount invoiced by BrightView.

13. GENERAL: This Agreement and any Service Order hereunder shall be governed by either (a) the law of the state in which the Service Location is located, or (b) if Service Locations are located in more than one state, then the laws of the State of Delaware without regard to conflicts of laws doctrines and each party consents to the jurisdiction and exclusive venue therein. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. The arbitration hearing shall take place before a single arbitrator. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

Master Snow Management Agreement

This Agreement and any Service Order may not be assigned by either party without the prior written approval of the other party except that either party may assign this Agreement or a Service Order to: (i) a parent, affiliate, or subsidiary, (ii) an acquirer of assets, or (iii) a successor by merger. This Agreement is binding on and inures to the benefit of the parties hereto (including the record owner of the Service Location(s) if other than the Client) and their respective heirs, legal representatives, successors and permitted assigns. Any purported assignment in violation of this section shall be void. Notwithstanding the foregoing, BrightView may subcontract Services to qualified providers, without the prior written consent of the Client.

This Agreement constitutes the entire agreement of the parties with respect to the Services and supersedes all prior contracts or agreements with respect to the Services, whether oral or written.

Except as otherwise provided herein, this Agreement or any Service Order may be amended or modified from

time to time only by a written instrument executed and agreed to by both the Client and BrightView. The express or implied waiver by either party of a breach of any provision of this Agreement or any Service Order shall not operate or be construed as a waiver by them of any other or subsequent breach of such provision or any other provision. This Agreement or any Service Order is not valid or binding unless and until in writing signed by a duly authorized representative of both parties. This Agreement or any Service Order may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument and may be delivered by facsimile or electronic transmission.

Unless otherwise expressly provided in a provision that cross-references this Section, in the event of any conflict or inconsistency between this Agreement, any SOW and/or any exhibit to this Agreement or any SOW, the order of precedence will be: the Agreement, an exhibit to the Agreement, an SOW and an exhibit to that SOW.

This Master Snow Management Agreement is hereby entered into between BrightView and Client as of the Effective Date shown above.

BRIGHTVIEW (as defined in the first paragraph)

“Client”

Signed by: Jim Bowley

Signature: 7B88259B1465429...

Name: JIM BOWLEY

Title: President

Date: 11/6/2024

DocuSigned by: Chris Dods

Signature: D7CBBF38F7C143C...

Name: CHRIS DODS

Title: Account Manager

Date: 11/5/2024

BrightView Landscapes, LLC and each of its subsidiaries (“BrightView”) is committed to taking care of each other, our clients and communities. The BrightView Code of Conduct, which is located at https://www.brightview.com/sites/default/files/by_code_of_conduct.pdf keeps us true to our values. If you become aware of a violation of the BrightView Code, we encourage you to report it by:

- Filing a report at www.brightviewconcerns.com; or
- Calling our 24-hour, 7-day per week compliance hotline at (800) 461-9330.

Thank you for your confidence in partnering with BrightView.

CLIENT PRICING AGREEMENT

2024.16169943



Annual Snow Service Order

BrightView Landscape Services, Inc. (BrightView)

10/17/2024 7:49

40040_BVLS Denver West

2333 W Oxford Ave Sheridan CO 80110

Ph: (303) 761-9262

400400296

• SERVICE LOCATION (Location)

Loc ID Location Name Estimate
 16169943 LITTLETON VILLAGE 400400296

Location Address
 C/O 405 URBAN ST. SUITE 310, LAKEWOOD, CO 80228

• CLIENT INFORMATION (Client)

Client ID Company Name
 LITTLETON VILLAGE METROPOLITAN DIST NO 2

Billing Address
 C/O MORAIN BAKARICH CPAS, 2801 YOUNGFIELD ST STE 370, GOLDEN, C

• SCOPE OF SERVICES Service Start: **10/01/2024** Service End: **05/31/2025** Start Season: **2024**

<u>Vehicle Site Area(s) (VEH)</u>	<u>Service Start Trigger</u>	<u>Pedestrian Sites Areas (PED)</u>	<u>Service Start Trigger</u>
Parking/Drive Areas (LOTS)	2"	Private Sidewalks (PRI WALKS)	2"
		Public Sidewalks (PUB WALKS)	2"
Ice Watch (Vehicle)	Declined	Ice Watch (Pedestrian)	Declined
Anti-Ice/Pretreatment (Vehicle)	Declined	Anti-Ice/Pretreatment (Pedestrian)	Declined

BrightView is only responsible for performing Services in the selected Site Areas after the indicated Service Trigger is reached. Services requested before the Trigger is met shall begin upon a reasonable period after notification from the Client and may result in additional fees. Services provided under this agreement shall be directed and managed by BrightView in order to maintain safe conditions in the Site Areas indicated.

- Client Declines to have BrightView stake the Location.
- BrightView will not be responsible for damages caused to roads, curbs, road-edges, turf-edges or other objects not properly identified.
- Speed bumps/humps/tables shall not be repaired/replaced regardless of staking conditions.
- Bulk de-icing material will be purchased (Supplied) by BrightView and applied by BrightView.
- Bagged de-icing material will be purchased (Supplied) by BrightView and applied by BrightView.
- All Time & Material Rates are Port-to-Port, and are subject to minimum fees as noted in the Price Schedule
- All prices exclude any applicable sales tax, should client request tax to be included BrightView may automatically adjust the price if tax laws change to reflect such increase.

By signing this Service Order, Client acknowledges and agrees that (a) snow or ice may accumulate while Services are being performed, (b) even when there is no precipitation present, snow may blow or drift onto a Service Location or be brushed onto cars, parking, and driving areas or walkways, and (c) properly plowed snow may melt and refreeze after Services are fully performed. Accordingly, Client understands and agrees that (i) BrightView cannot guarantee that the performance of the Services will remove all snow and ice from any Service Location, and (ii) some snow or ice may still be present at a Service Location during or after the performance of Services.

• PRICE SCHEDULE BrightView will be compensated for work performed at the Service Location according to the agreed to prices shown below. All listed equipment items includes the respective equipment and required operator.

<u>Category</u>	<u>Area</u>	<u>Service/Unit Description</u>	<u>Unit</u>	<u>Min. Chg.</u>	<u>Price</u>	<u>Price</u>	<u>Price</u>	<u>Price</u>	2024 <u>Price</u>
TM	ALL AREAS	Crew Member	Hr	1 Hr					\$66.95
TM	ALL AREAS	Bag Ice Melt	50 Lbs	1 Bag					\$51.50
TM	ALL AREAS	Utility Vehicle	Hr	1 Hr					\$111.24
TM	ALL AREAS	ATV	Hr	1 Hr					\$115.36
TM	ALL AREAS	Truck with Plow	Hr	1 Hr					\$123.60
TM	ALL AREAS	Truck with Spreader/Sprayer	Hr	1 Hr					\$123.60
TM	ALL AREAS	Ice Slicer	TN	1 Ton					\$283.25
TM	ALL AREAS	Skid Steer	Hr	1 Hr					\$169.95
TM	ALL AREAS	Loader 3CY+ Bucket	Hr	1 Hr					\$313.12

• ORDER EFFECTIVE DATE: 10/01/2024 This Service Order is accepted by BrightView and Client and forms part of the Master Snow Management Agreement signed by the parties and restates and replaces any Service Order previously agreed to for the above Location.

For BrightView:

Printed: 10/01/2024
Email:
Title:

For Client:

Printed: Mike Bakarich 10/01/2024
Email: mbakarich@morainco.com
Title:

ADDENDUM TO MASTER SNOW MANAGEMENT AGREEMENT AND ANNUAL SNOW SERVICE PRICING AGREEMENT

THIS ADDENDUM (“Addendum”) modifies the MASTER SNOW MANAGEMENT AGREEMENT AND ANNUAL SNOW SERVICE PRICING AGREEMENT (“Agreement”) by and between Littleton Village Metropolitan District No. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and BrightView Landscape Services, Inc., a Colorado corporation (the “Contractor”).

In consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Contractor and District hereby modify the Agreement as follows:

1. Terms of Addendum Controlling. The parties expressly intend and agree that this Addendum is hereby incorporated into the Agreement and the terms herein shall modify and control the terms in the Agreement. Any inconsistency between the terms of this Addendum and the terms of the Agreement shall be resolved in favor of the terms contained in this Addendum.

2. Independent Contractor. The services to be performed by Contractor are those of an independent contractor and not of an employee or partner of the District. Contractor is obligated to pay federal and state income tax on any moneys earned pursuant to this Agreement. Neither Contractor nor its employees, if any, are entitled to Workers’ Compensation benefits from the District for the performance of the services specified in this Agreement.

3. Limitation on District Indemnity. Any obligation of the District to indemnify, defend, or hold harmless Contractor is deleted. Notwithstanding any provision in the Agreement, the District does not waive and shall retain all of the immunities, protections, rights, procedures, and limitations provided to the District under the Colorado Governmental Immunity Act, § 24-10-101 *et seq.*, C.R.S.

4. Limitation on Damages. Under no circumstances shall the District be liable to Contractor for special, punitive, indirect or consequential damages suffered by Contractor arising out of or in connection with this Agreement, including without limitation lost profits, loss of use, or loss of opportunity.

5. Notices. All notices which are required or which may be given under this Agreement shall be effective when hand delivered, sent via nationally recognized overnight courier, or 3 days after mailing via first class mail, postage prepaid and sent to the address first set forth in the Agreement.

6. Taxes. The District is a governmental entity and is therefore exempt from state and local sales and use tax. The District will not pay for or reimburse any sales or use tax that may not directly be imposed against the District. The Contractor shall use the District’s sales tax exemption for the purchase of any and all products and equipment on behalf of the District.

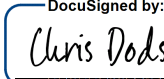
7. Annual Appropriation. Pursuant to Article X, Section 20 of the Colorado Constitution and Section 29-1-110, C.R.S., the District’s obligations hereunder are subject to the annual appropriation of funds necessary for the performance thereof, which appropriations will be made in the sole discretion of the District’s Board of Directors.

8. Jurisdiction, Law; Venue. The laws of the State of Colorado shall govern the construction, interpretation, execution and enforcement of this Agreement. Jurisdiction and venue for any dispute between the Parties arising out of or relating to this Agreement shall be in the State of Colorado District Court for the county in which the District is located.

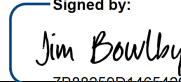
9. No Third Party Beneficiaries. The Parties to this Agreement do not intend to benefit any person not a party to this Agreement. No person or entity, other than the Parties to this Agreement, shall have any right, legal or equitable, to enforce any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to be effective as of the date of the Agreement.

BrightView Landscape Services, Inc.

By: 
Name: Chris Dods
Title: Account Manager

Littleton Village Metropolitan District No. 2

By: 
Name: Jim Bowlby
Title: President

Littleton Village
Brightview Snow Removal Price Comparison
2023 vs 2024

Item	2023	2024	Difference	% Change
Crew HR	65	66.95	1.95	3%
Ice Melt	50	51.5	1.5	3%
Utility Veh	112	115.36	3.36	3%
ATC	108	111.24	3.24	3%
Truck/Plow	120	123.6	3.6	3%
Spreader	120	123.6	3.6	3%
Slicer	275	283.25	8.25	3%
Skid Steer	165	169.95	4.95	3%
Loader	304	313.12	9.12	3%

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2

RESOLUTION TO AMEND 2024 BUDGET

A. The Board of Directors of Littleton Village Metropolitan District No. 2 adopted the budget and appropriated funds for the 2024 fiscal year as follows:

General Fund	\$472,200
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B. Additional expenditures in the General Fund are necessary resulting in expenditures in excess of appropriations for the 2024 fiscal year.

C. Such additional expenditures are contingencies which could not have been reasonably foreseen at the time of adoption of the budget.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Littleton Village Metropolitan District No. 2 hereby adopts a supplemental budget and appropriation for the 2024 fiscal year as follows:

General Fund	\$500,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated for expenditure from any available funds in the General Fund in accordance with the provisions of §29-1-109, C.R.S.

APPROVED AND ADOPTED THIS 25TH DAY OF NOVEMBER, 2024.

LITTLETON VILLAGE METROPOLITAN
DISTRICT NO. 2

By: _____
Jim Bowlby, Jr., President

Attest:

Zach Tedeschi, Secretary

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
Arapahoe County, Colorado

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY
INFORMATION**

YEAR ENDED DECEMBER 31, 2023

DRAFT

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
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BASIC FINANCIAL STATEMENTS

DRAFT

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
Assets	
Cash and Investments	\$ 640,301
Cash and Investments - restricted	127,773
Accounts Receivable	28,668
Receivable County Treasurer	5,031
Due from Other Districts	4,485
PIF Receivable	8,283
Prepaid Expenses	14,424
Domestic Water Fee Receivable	15,701
Property Tax Receivable	954,069
Capital Assets, Net	2,456,720
Total Assets	4,255,455
 Deferred Outflows of Resources	
Deferred Amounts on Refunding	314,031
Total Deferred Outflows of Resources	314,031
 Liabilities	
Accounts Payable	122,286
Accrued Interest on Bonds Payable	69,206
Noncurrent Liabilities:	
Due Within One Year	100,000
Due in More than One Year	18,485,393
Total Liabilities	18,776,885
 Deferred Inflows of Resources	
Deferred Property Tax Revenue	954,069
Total Deferred Inflows of Resources	954,069
 Net Position	
Restricted:	
Emergency Reserves	26,500
Unrestricted	(15,187,968)
Total Net Position	\$ (15,161,468)

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Function/Program	Program Revenues				Net Revenue (Expense) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grans and Contributions	Governmental Activities
Governmental activities:					
General Government	\$ 815,989	\$ 590,545	\$ -	\$ -	\$ (225,444)
Intergovernmental	-	-	167,250	-	167,250
Interest and Related Costs on Long-Term Debt	1,836,755	-	-	-	(1,836,755)
Total Governmental Activities	\$ 2,652,744	\$ 590,545	\$ 167,250	\$ -	\$ (1,894,949)
General Revenues:					
Property Taxes					\$ 1,185,630
Specific Ownership Taxes					77,689
Public Improvement Fees					49,264
Net Investment Income					159,614
Total General Revenues					1,472,197
Change in Net Position					(422,752)
Net Position, Beginning of Year					(14,738,716)
Net position, End of Year					\$ (15,161,468)

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and investments	\$ 317,519	\$ 322,782	\$ -	\$ 640,301
Cash and investments - restricted	7,600	13,254	106,919	127,773
Accounts receivable	-	28,668	-	28,668
Receivable county treasurer	1,006	-	4,025	5,031
Due from other districts	4,485	-	-	4,485
PIF receivable	-	8,283	-	8,283
Prepaid expenses	1,170	13,254	-	14,424
Domestic water fee receivable	-	15,701	-	15,701
Property tax receivable	239,716	-	714,353	954,069
Total assets	<u>571,496</u>	<u>401,942</u>	<u>825,297</u>	<u>1,798,735</u>
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	13,993	24,352	83,941	122,286
Total liabilities	<u>13,993</u>	<u>24,352</u>	<u>83,941</u>	<u>122,286</u>
Deferred inflows of resources				
Deferred property tax revenue	239,716	-	714,353	954,069
Total deferred inflows of resources	<u>239,716</u>	<u>-</u>	<u>714,353</u>	<u>954,069</u>
Fund Balances				
Nonspendable:				
Prepays	1,170	13,254	-	14,424
Restricted:				
Emergency reserves	7,600	18,900	-	26,500
Debt service	-	-	27,003	27,003
Committed:				
Operations	-	345,436	-	345,436
Unassigned:				
General government	309,017	-	-	309,017
Total fund balances	<u>317,787</u>	<u>377,590</u>	<u>27,003</u>	<u>722,380</u>
Total liabilities and fund balances	<u>571,496</u>	<u>401,942</u>	<u>825,297</u>	<u>1,798,735</u>

See the accompanying notes to the basic financial statements.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

Total Governmental Fund Balances: \$ 722,380

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

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

Deferred Amounts on Refunding - Series 2023 314,031

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets are capitalized and expensed over their estimated useful lives through depreciation expense.

Capital Assets, Net 2,456,720

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 governmental funds..

Bonds Payable - Series 2023 (18,450,000)

Bond Premium - Series 2023, Net (135,393)

Accrued Interest on Bonds Payable - Series 2023 (69,206)

Total Net Position of Governmental Activities \$ (15,161,468)

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 237,105	\$ -	\$ 948,525	\$ 1,185,630
Specific ownership taxes	15,536	-	62,153	77,689
Net investment income	90	36,419	123,105	159,614
Maintenance fees	-	527,506	-	527,506
Domestic water fees	-	53,701	-	53,701
Administrative fees	-	4,140	-	4,140
Other revenues	-	5,198	-	5,198
Public improvement fees	-	-	49,264	49,264
Transfers from District No. 3	-	-	167,250	167,250
Total revenues	<u>252,731</u>	<u>626,964</u>	<u>1,350,297</u>	<u>2,229,992</u>
Expenditures:				
General and administrative:				
Accounting and auditing	74,669	-	-	74,669
Bank fees	126	-	-	126
County treasurer's fees	3,558	-	14,233	17,791
District management	51,666	-	-	51,666
District No. 1 expenditures	7,447	-	-	7,447
Dues and licenses	417	-	-	417
Election expense	2,130	-	-	2,130
Legal	49,230	-	-	49,230
Miscellaneous	1,905	-	-	1,905
Operations:				
Insurance and bonds	-	12,976	-	12,976
Snow removal	-	46,240	-	46,240
Trash	-	47,554	-	47,554
Electricity and utility inspections	-	3,070	-	3,070
Irrigation repairs	-	11,468	-	11,468
Pet waste removal	-	9,206	-	9,206
Property management	-	23,939	-	23,939
Billing services	-	18,265	-	18,265
Landscape maintenance	-	90,146	-	90,146
Landscape repairs	-	77,099	-	77,099
Irrigation water	-	45,240	-	45,240
Domestic water	-	53,701	-	53,701
Debt service:				
Paying agent fees	-	-	13,638	13,638
PIF collection fees	-	-	7,910	7,910
Bond interest - Series 2015	-	-	558,194	558,194
Bond interest - Series 2018B	-	-	-	-
Bond principal - Series 2015	-	-	150,000	150,000
Bond issue costs - Series 2023	-	-	487,272	487,272
Total expenditures	<u>191,148</u>	<u>438,904</u>	<u>1,231,247</u>	<u>1,861,299</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>61,583</u>	<u>188,060</u>	<u>119,050</u>	<u>368,693</u>
Other Financing Sources (Uses):				
Proceeds from bond issuance - Series 2023	-	-	18,450,000	18,450,000
Bond premium - Series 2023	-	-	135,393	135,393
Payments to refunding bond escrow	-	-	(20,650,787)	(20,650,787)
Other debt costs	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,065,394)</u>	<u>(2,065,394)</u>
Net change in fund balance	<u>61,583</u>	<u>188,060</u>	<u>(1,946,344)</u>	<u>(1,696,701)</u>
Fund Balance, Beginning of Year	<u>256,204</u>	<u>189,530</u>	<u>1,973,347</u>	<u>2,419,081</u>
Fund Balance, End of Year	<u>\$ 317,787</u>	<u>\$ 377,590</u>	<u>\$ 27,003</u>	<u>\$ 722,380</u>

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Governmental Funds \$ (1,696,701)

Governmental funds report capital outlay as expenditures. In the Statement of Activities the costs of those assets are allocated over the estimated useful lives of the assets and reported as depreciation expense.

Depreciation (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 - Series 2015	150,000
Bond Discount Amortization - Series 2015	(1,786)
Bond Discount Amortization - Series 2018B	(11,078)
Bond Issuance - Series 2023	(18,450,000)
Bond Premium - Series 2023	(135,393)
Refunding Payment - Series 2014A, Series 2014B, Series 2015, Series 2015B	20,650,787

Certain expenditures in the Statement of Activities differs from the amount reported in governmental funds because some do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued Interest on Bonds Payable - Change in Liability (742,644)

Change in Net Position of Governmental Activities \$ (422,752)

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023
BUDGETARY BASIS

	BUDGETED AMOUNTS			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Property taxes	\$ 237,107	\$ 237,107	\$ 237,105	\$ (2)
Specific ownership taxes	14,226	14,226	15,536	1,310
Net investment income	100	100	90	(10)
Transfers from District No. 3	-	-	-	-
Total revenues	251,433	251,433	252,731	1,298
Expenditures				
General and administrative:				
Accounting and auditing	52,000	75,000	74,669	331
Bank fees	-	-	126	(126)
Contingency	6,443	6,443	-	6,443
County treasurer's fees	3,557	3,557	3,558	(1)
District management	33,000	52,000	51,666	334
District No. 1 expenditures	25,000	25,000	7,447	17,553
Dues and licenses	1,000	1,000	417	583
Election expense	10,000	10,000	2,130	7,870
Legal	44,000	50,000	49,230	770
Miscellaneous	-	1,000	1,905	(905)
Total expenditures	175,000	224,000	191,148	32,852
Net change in fund balance	76,433	27,433	61,583	34,150
Fund Balance, Beginning of Year	225,471	225,471	256,204	30,733
Fund Balance, End of Year	\$ 301,904	\$ 252,904	\$ 317,787	\$ 64,883

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023
BUGETARY BASIS

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Maintenance fees	\$ 544,200	\$ 527,506	\$ (16,694)
Domestic water fees	38,000	53,701	15,701
Administrative fees	4,140	4,140	-
Other revenues	-	5,198	5,198
Net investment income	-	36,419	36,419
Total Revenues	586,340	626,964	40,624
Expenditures			
Insurance and bonds	13,000	12,976	24
Snow removal	90,000	46,240	43,760
Trash	48,000	47,554	446
Electricity and utility inspections	1,000	3,070	(2,070)
Irrigation repairs	25,000	11,468	13,532
Pet waste removal	15,000	9,206	5,794
Property management	33,000	23,939	9,061
Billing services	24,000	18,265	5,735
Landscape maintenance	82,000	90,146	(8,146)
Landscape repairs	40,000	77,099	(37,099)
Irrigation water	65,000	45,240	19,760
Domestic water	38,000	53,701	(15,701)
Contingency	8,000	-	8,000
Total Expenditures	482,000	438,904	43,096
Net change in fund balance	104,340	188,060	83,720
Fund Balance, Beginning of Year	179,874	189,530	9,656
Fund Balance, End of Year	\$ 284,214	\$ 377,590	\$ 93,376

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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.

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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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, 2023 to increase expenditures relating to the Series 2023 Bond issuance.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows (Outflows) of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. One item that qualifies for reporting in this category is the deferred charge on refunding which is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

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.

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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Fund Balance (Continued)

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, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$	640,301
Cash and Investments - Restricted		127,773
Total Cash and Investments	<u>\$</u>	<u>768,074</u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$	37,103
Investments		730,971
Total Cash and Investments	<u>\$</u>	<u>768,074</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, 2023, the District’s cash deposits had a bank and carrying balance of \$37,103.

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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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.

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, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Balance</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 92,807
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	<u>\$ 638,164</u>
Total		<u><u>\$ 730,971</u></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, 2023

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 AAAMmf 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, 2023

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance <u>12/31/2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/2023</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
Accumulated Depreciation:				
Central Park	(653,707)	(113,527)	-	(767,234)
Boulevard Park	(149,321)	(25,598)	-	(174,919)
North Drainage Tract/Open Space	(273,071)	(46,812)	-	(319,883)
Total Accumulated Depreciation	(1,076,099)	(185,937)	-	(1,262,036)
Capital Assets, Net	<u>\$ 2,642,657</u>	<u>\$(185,937)</u>	<u>\$ -</u>	<u>\$ 2,456,720</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, 2023

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, 2023:

	Balance December 31, 2022	Additions	Retirements	Balance December 31, 2023	Due Within One Year
Bonds Payable:					
Limited Tax G.O. and Special Revenue					
Bonds, Series 2015	\$ 10,385,000	\$ -	\$ (10,385,000)	\$ -	\$ -
Bond Issue Discount, Series 2015	(27,706)		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	(128,189)		128,189	-	
Accrued Interest-Subordinate Limited Tax G.O.					
and Special Revenue Bonds, Series 2018B	1,493,959	519,563	(2,013,522)	-	
Limited Tax G.O. Refunding Bonds, Series 2023	-	18,450,000	-	18,450,000	100,000
Bond Issue Premium, Series 2023	-	135,393	-	135,393	-
Total Bonds Payable	17,423,064	19,104,956	(17,942,627)	18,585,393	100,000
Bonds From Direct Borrowings and Direct					
Placements:					
Subordinate Special Revenue					
Bonds, Series 2014A	665,293	-	(665,293)	-	-
Subordinate Special Revenue					
Bonds, Series 2014B	914,350	-	(914,350)	-	-
Accrued Interest - Subordinate Special					
Revenue Bonds, Series 2014A	263,432	73,596	(337,028)	-	-
Accrued Interest - Subordinate Special					
Revenue Bonds, Series 2014B	487,799	108,457	(596,256)	-	-
Total Direct Borrowings	2,330,874	182,053	(2,512,927)	-	-
Total Long-Term Obligations	\$ 19,753,938	\$ 19,287,009	\$ (20,455,554)	\$ 18,585,393	\$ 100,000

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 were 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, 2023

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 Bonds were refunded with the issuance of the Limited Tax General Obligation Refunding Bonds, Series 2023.

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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

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.

Termination Events

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

Acceleration

The Series 2018B Bonds are not subject to acceleration.

The Series 2018B Bonds were refunded with the issuance of the Limited Tax General Obligation Refunding Bonds, Series 2023.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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 15th and December 15th, 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 15th.

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 15th 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.

The Series 2014A Bonds were partially refunded by the Series 2015 Senior Bonds and the Series 2018B Bonds. The Series 2014B Bonds were partially discharged by a contribution from the Developer during the issuance of the Series 2018B Bonds. The remaining balances of Series 2014 Bonds were refunded with the issuance of the Limited Tax General Obligation Refunding Bonds, Series 2023.

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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2014 Special Revenue Bonds (Continued)

Termination Events

The Series 2014 Bonds are not subject to early termination.

Acceleration

The Series 2014 Bonds are not subject to acceleration.

Limited Tax General Obligation Refunding Bonds, Series 2023

On December 13, 2023, the District issued Limited Tax General Obligation Refunding Bonds, Series 2023, in the principal amount of \$18,450,000 (Series 2023 Bonds). The proceeds from the sale of the Series 2023 Bonds were used for the purposes of (i) refunding the District's outstanding Series 2014A Bonds, Series 2014B Bonds, Series 2015 Bonds, and Series 2018B Bonds and (ii) paying the costs of issuing the Series 2023 Refunding Bonds.

The Series 2023 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) all PILOT revenues, if any, and 4) any other legally available monies which the District determines to deposit with Trustee for application as pledged revenue. Pledged revenue for the repayment on the Series 2023 Bonds also includes revenues resulting from District No. 3's imposition of the District No. 3 Required Mill Levy. The Series 2023 Bonds are also secured by an Reserve Policy which guarantees the payment of interest and principal, in the event the District does not have enough pledged revenues on deposit with the Trustee.

The Series 2023 Bonds are designated as serial and term bonds, of which, \$2,665,000 bear interest at 5.000% and mature annually commencing December 1, 2024 through December 1, 2033. Series 2023 Bonds totaling \$2,385,000 bear interest at 4.000% and are subject to mandatory sinking fund redemptions commencing December 1, 2034 through maturity on December 1, 2038. Series 2023 Bonds totaling \$3,215,000 bear interest at 4.375% and are subject to mandatory sinking fund redemptions commencing December 1, 2039 through maturity on December 1, 2043. Series 2023 Bonds totaling \$5,185,000 bear interest at 4.625% and are subject to mandatory sinking fund redemptions commencing December 1, 2044, through maturity on December 1, 2053. Series 2023 Bonds totaling \$5,000,000 bear interest at 5.000% and are subject to mandatory sinking fund redemptions commencing December 1, 2044 through maturity on December 1, 2053.

Interest is payable semi-annually on June 1st and December 1st, beginning on June 1, 2024. The Bonds maturing on or after December 1, 2038, are subject to redemption prior to maturity, at the option of the District, on December 1, 2033 and on any date thereafter, upon payment of par plus accrued interest, with no redemption premium.

Unused Lines of Credit

The Series 2023 Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the Series 2023 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, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Refunding Bonds, Series 2023 (Continued)

Termination Events

The Series 2023 Bonds are not subject to early termination.

Acceleration

The Series 2023 Bonds are not subject to acceleration.

The Series 2023 Refunding Bonds principal and interest will mature as follows:

Year Ending December 31st:	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
2029-2033	1,670,000	3,893,063	5,563,063
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
	<u>\$ 18,450,000</u>	<u>\$ 17,349,501</u>	<u>\$ 35,799,501</u>

Advance Refunding

The Series 2023 Bonds were issued to purchase securities to be deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded Series 2014A, Series 14B, Series 2015 and Series 2018B Bonds. As a result, the refunded bonds are considered to be defeased, and the liability for the defeased bonds is not reported on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$314,031. This amount is recorded as a deferred outflow of resources and is being amortized over the remaining life of the new debt issued. This advance refunding was undertaken to take advantage of lower interest rates and reduce total debt service payments over the remaining life the debt at the time of the refunding by \$6,120,356 and resulted in an economic gain of \$3,642,679.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount						
	Authorized	Authorization	Authorization	Authorization	Authorization	Authorization	Authorized
	November 5,	Used	Used	Used	Used	Used	But
	2013	Series 2014A	Series 2014B	Series 2015	Series 2018	Series 2023	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	18,450,000	15,850,000
Intergovernmental Agreements	40,000,000	-	-	10,830,000	-	-	29,170,000
Total	520,000,000	12,165,000	2,384,977	10,830,000	5,700,000	18,450,000	470,470,023

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, 2023, as follows:

Restricted Net Position:

Emergency Reserves	<u>\$ 26,500</u>
Total Restricted Net Position	<u>\$ 26,500</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, 2023

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.

On August 26, 2024, the District entered into an agreement for the full satisfaction and termination of the Amended and Restated Funding and Reimbursement Agreement (Operations and Maintenance) Agreement with the Developer, and in consideration thereof, made a one-time payment of \$250,000 to the to release the District, District No. 1 and District No. 3 of all claims relating to the Amended and Restated Funding Agreement. Furthermore, the Amended and Restated Funding agreement was terminated upon execution of the termination 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.

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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 AGREEMENTS (CONTINUED)

Construction Funding Loan Agreement (Continued)

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. On December 13, 2023, the District issued Limited Obligation Refunding Bonds, Series 2023 to refund the outstanding balances on the Series 2014A and Series 2014B Bonds.

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.

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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 AGREEMENTS (CONTINUED)

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.

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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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.

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.

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

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LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023
BUDGETARY BASIS

	BUDGETED AMOUNTS			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Property taxes	\$ 948,531	\$ 948,531	\$ 948,525	\$ (6)
Specific ownership taxes	56,912	56,912	62,153	5,241
Net investment income	15,000	15,000	123,105	108,105
Public improvement fees	45,000	45,000	49,264	4,264
Transfers from District No. 3	166,096	166,096	167,250	1,154
Total revenues	<u>1,231,539</u>	<u>1,231,539</u>	<u>1,350,297</u>	<u>118,758</u>
Expenditures				
County treasurer's fees	14,228	14,228	14,233	(5)
Contingency	5,078	5,078	-	5,078
Paying agent fees	11,000	13,500	13,638	(138)
PIF collection fees	3,500	6,000	7,910	(1,910)
Bond interest - Series 2015	558,194	558,194	558,194	-
Bond interest - Series 2018B	150,000	-	-	-
Bond principal - Series 2015	490,000	150,000	150,000	-
Bond issue costs - Series 2023	-	400,000	487,272	(87,272)
Total expenditures	<u>1,232,000</u>	<u>1,147,000</u>	<u>1,231,247</u>	<u>(84,247)</u>
Other Financing Sources (Uses)				
Proceeds from bond issuance - Series 2023	-	19,000,000	18,450,000	(550,000)
Bond premium - Series 2023	-	-	135,393	135,393
Bond discount - Series 2023	-	-	-	-
Payments to refunding bond escrow	-	(20,700,000)	(20,650,787)	49,213
Other debt costs	-	(100,000)	-	100,000
Net other financing sources (uses)	<u>-</u>	<u>(1,800,000)</u>	<u>(2,065,394)</u>	<u>(265,394)</u>
Net change in fund balance	<u>(461)</u>	<u>(1,715,461)</u>	<u>(1,946,344)</u>	<u>(230,883)</u>
Fund Balance, Beginning of Year	<u>1,963,539</u>	<u>1,963,539</u>	<u>1,973,347</u>	<u>9,808</u>
Fund Balance, End of Year	<u>\$ 1,963,078</u>	<u>\$ 248,078</u>	<u>\$ 27,003</u>	<u>\$ (221,075)</u>

OTHER INFORMATION

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LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023

\$18,450,000

Limited Tax General Obligation Refunding Bonds

Series 2023, Dated December 13, 2023

Interest Rates: 4.00% - 5.00%

Payable June 1st and December 1st

Principal Due December 1

Year Ending December 31st,	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	425,000	725,863	1,150,863
2035	440,000	708,863	1,148,863
2036	480,000	691,263	1,171,263
2037	500,000	672,063	1,172,063
2038	540,000	652,063	1,192,063
2039	560,000	630,463	1,190,463
2040	610,000	605,963	1,215,963
2041	635,000	579,275	1,214,275
2042	690,000	551,494	1,241,494
2043	720,000	521,306	1,241,306
2044	770,000	489,806	1,259,806
2045	810,000	452,788	1,262,788
2046	870,000	413,844	1,283,844
2047	915,000	372,013	1,287,013
2048	985,000	328,006	1,313,006
2049	1,030,000	280,650	1,310,650
2050	1,105,000	231,119	1,336,119
2051	1,160,000	177,969	1,337,969
2052	1,240,000	122,181	1,362,181
2053	1,300,000	62,525	1,362,525
Total	\$ 18,450,000	\$ 17,349,501	\$ 35,799,501

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND
PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,		Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
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%
2023	20,573,280	11.525	46.105	1,185,638	1,185,630	99.99%
Estimated for the Year Ending December 31, 2024	\$ 23,971,573	10.000	29.800	\$ 954,069		

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.

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