

LETTER OF BUDGET TRANSMITTAL

Date: January __, 2019

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

Attached are the 2019 Budget and budget message for the LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2 in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 27, 2018. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP
Attn: Denise Denslow, District Manager
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710
Denise.Denslow@claconnect.com

I, Denise Denslow, District Manager of the Littleton Village Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2019 Budget.

By:


Denise Denslow, District Manager

**RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**

(2019)

The Board of Directors of Littleton Village Metropolitan District No. 2 (the "Board"), City of Littleton, Colorado (the "District") held a regular meeting at 6560 South Broadway, Littleton, Colorado, on Tuesday, November 27, 2018, at the hour of 5:30 P.M.

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

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NOTICE AS TO PROPOSED 2019 BUDGET

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

AFFIDAVIT OF PUBLICATION

State of Colorado)
County of Arapahoe)ss

This Affidavit of Publication for the Littleton Independent, a weekly newspaper, printed and published for the County of Arapahoe, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made the 15th day of November A.D., 2018, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.



for the Littleton Independent
State of Colorado)
County of Arapahoe)ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Gerard Healey, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 15th day of November A.D., 2018. Gerard Healey has verified to me that he has adopted an electronic signature to function as his signature on this document.

Public Notice

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2019 BUDGETS AND

NOTICE OF PUBLIC HEARING ON AMENDMENT OF 2018 BUDGETS

LITTLETON VILLAGE METROPOLITAN DISTRICT NOS. 1 - 3

ARAPAHOE COUNTY, COLORADO

NOTICE IS HEREBY GIVEN that proposed budgets have been submitted to the Boards of Directors of the Littleton Village Metropolitan District Nos. 1 – 3 ("Districts") for the ensuing year 2019.

Copies of such proposed budgets have been filed in the office of the Districts located at CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection; and that such proposed budgets will be considered at a public hearing, during a special meeting of the Boards of Directors of the Districts to be held at the South Fellowship Church, 6560 South Broadway, Room 7, Littleton CO 80121, on November 27, 2018 at 5:30 p.m.

NOTICE IS FURTHER GIVEN that the Boards of Directors of the Littleton Village Metropolitan District Nos. 1 – 3 may also consider amending the Districts' 2018 budgets during a public hearing at this meeting. Any elector within the Districts may, at any time prior to the final adoption of the 2019 budgets or 2018 budget amendments, inspect the budgets and file or register any objections thereto.

This meeting is open to the public.

LITTLETON VILLAGE METROPOLITAN DISTRICT NOS. 1-3
ARAPAHOE COUNTY, COLORADO

By: /s/ Denise Denslow
District Manager

Legal Notice No.: 522200
First Publication: November 15, 2018
Last Publication: November 15, 2018
Publisher: Littleton Independent

LINDSAY L NICOLETTI
Notary Public
State of Colorado
Notary ID # 20134073610
My Commission Expires 02-22-2022

My Commission Expires 02/22/22



Notary Public

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2019 AND ENDING ON THE LAST DAY OF DECEMBER 2019.

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

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

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 27, 2018, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2019. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2019 budget year, there is hereby levied a tax of 11.055 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2019 budget year, there is hereby levied a tax of

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

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2019 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2019 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

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

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

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

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

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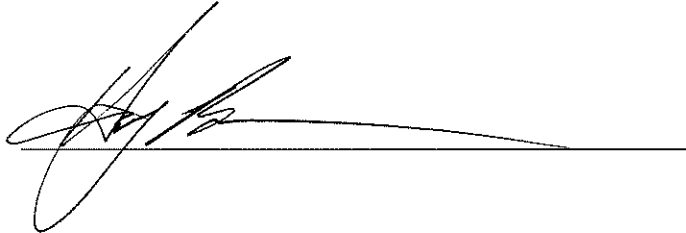
ADOPTED THIS 27TH DAY OF NOVEMBER, 2018.

LITTLETON VILLAGE METROPOLITAN DISTRICT
NO. 2



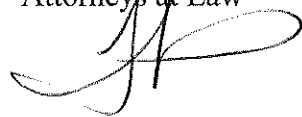
Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

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

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on Tuesday, November 27, 2018, at 6560 South Broadway, Littleton, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27th day of November, 2018.

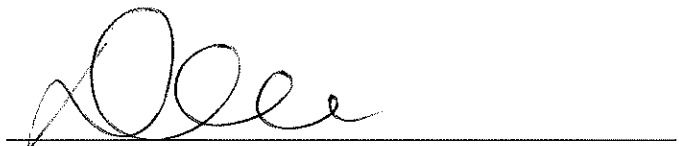


EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
Littleton Village Metropolitan District No. 2

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Littleton Village Metropolitan District No. 2 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 15, 2019



An independent member of Nexia International

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/15/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 1,740,166	\$ 1,391,974	\$ 1,357,287
REVENUES			
Property taxes	165,582	493,769	688,545
Specific ownership taxes	14,179	36,800	41,312
Net investment income	14,987	20,200	20,500
Bond issuance - Series 2014B	388,969	350,000	-
Bond issuance - Series 2018	-	5,700,000	-
Other revenue	-	-	3,000
Transfer from District No. 3	81,758	114,288	131,926
Public improvement fees	-	5,644	32,262
Total revenues	<u>665,475</u>	<u>6,720,701</u>	<u>917,545</u>
Total funds available	<u>2,405,641</u>	<u>8,112,675</u>	<u>2,274,832</u>
EXPENDITURES			
General Fund	36,497	106,250	149,466
Debt Service Fund	977,170	6,649,138	776,000
Total expenditures	<u>1,013,667</u>	<u>6,755,388</u>	<u>925,466</u>
Total expenditures and transfers out requiring appropriation	<u>1,013,667</u>	<u>6,755,388</u>	<u>925,466</u>
ENDING FUND BALANCES	<u>\$ 1,391,974</u>	<u>\$ 1,357,287</u>	<u>\$ 1,349,366</u>
REQUIRED RESERVE - SERIES 2015	\$ 880,075	\$ 880,075	\$ 880,075
SURPLUS RESERVE - SERIES 2015	511,899	382,212	469,291
ESCROW RESERVE	-	95,000	-
TOTAL RESERVE	<u>\$ 1,391,974</u>	<u>\$ 1,357,287</u>	<u>\$ 1,349,366</u>

This financial information should be read only in connection with the accompanying accountant's
compilation report and summary of significant assumptions.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/15/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
Residential	\$ 817,214	\$ 7,496,194	\$ 11,492,920
Commercial	-	78,437	286,609
State assessed	19,180	13,140	129,510
Vacant land	2,475,248	1,344,874	547,220
Certified Assessed Value	<u>\$ 3,311,642</u>	<u>\$ 8,932,645</u>	<u>\$ 12,456,259</u>
MILL LEVY			
General	10.000	11.055	11.055
Debt Service	40.000	44.222	44.222
Total mill levy	<u>50.000</u>	<u>55.277</u>	<u>55.277</u>
PROPERTY TAXES			
General	\$ 33,116	\$ 98,750	\$ 137,704
Debt Service	132,466	395,019	550,841
Levied property taxes	<u>165,582</u>	<u>493,769</u>	<u>688,545</u>
Budgeted property taxes	<u>\$ 165,582</u>	<u>\$ 493,769</u>	<u>\$ 688,545</u>
BUDGETED PROPERTY TAXES			
General	\$ 33,116	\$ 98,750	\$ 137,704
Debt Service	132,466	395,019	550,841
	<u>\$ 165,582</u>	<u>\$ 493,769</u>	<u>\$ 688,545</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/15/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	33,116	98,750	137,704
Specific ownership taxes	2,836	7,300	8,262
Net investment income	545	200	500
Other revenue	-	-	3,000
Total revenues	<u>36,497</u>	<u>106,250</u>	<u>149,466</u>
Total funds available	<u>36,497</u>	<u>106,250</u>	<u>149,466</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	497	1,481	2,066
Contingency	-	-	3,000
Transfer to District No. 1	36,000	104,769	144,400
Total expenditures	<u>36,497</u>	<u>106,250</u>	<u>149,466</u>
Total expenditures and transfers out requiring appropriation	<u>36,497</u>	<u>106,250</u>	<u>149,466</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

1/15/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 1,740,166	\$ 1,391,974	\$ 1,357,287
REVENUES			
Property taxes	132,466	395,019	550,841
Specific ownership taxes	11,343	29,500	33,050
Net investment income	14,442	20,000	20,000
Bond issuance - Series 2018	-	5,700,000	-
Bond issuance - Series 2014B	388,969	350,000	-
Transfer from District No. 3	81,758	114,288	131,926
Public improvement fees	-	5,644	32,262
Total revenues	628,978	6,614,451	768,079
Total funds available	2,369,144	8,006,425	2,125,366
EXPENDITURES			
General and administrative			
County Treasurer's fees	1,988	5,925	8,262
Paying agent fees	4,100	4,100	4,100
Contingency	-	-	10,526
Transfer to District No. 1	388,969	350,000	-
PIF collection and reporting	-	2,000	6,000
Debt Service			
Bond refunding - Series 2014A/Series 2014B	-	5,209,000	-
Bond interest - Series 2015	582,113	582,113	582,112
Bond principal - Series 2015	-	-	70,000
Bond issue costs - Series 2018	-	491,000	-
Capital outlay	-	5,000	95,000
Total expenditures	977,170	6,649,138	776,000
Total expenditures and transfers out requiring appropriation	977,170	6,649,138	776,000
ENDING FUND BALANCES	\$ 1,391,974	\$ 1,357,287	\$ 1,349,366
REQUIRED RESERVE - SERIES 2015	\$ 880,075	\$ 880,075	\$ 880,075
SURPLUS RESERVE - SERIES 2015	511,899	382,212	469,291
ESCROW RESERVE	-	95,000	-
TOTAL RESERVE	\$ 1,391,974	\$ 1,357,287	\$ 1,349,366

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

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

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

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

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

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

Revenues

Property Taxes

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

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues – (continued)

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

The District's Service Plan provides that the District's mill levy may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation, so that, to the extent possible, the actual revenues generated are neither diminished or enhanced as a result of such changes. Among other adjustments, a change in the ratio of actual valuation of assessable property (assessment ratio) shall be deemed a change in method of calculating assessed valuation. During 2017, the assessment ratio changed from 7.96% to 7.20%; consequently, the District adjusted its mill levy.

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

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected.

Net Investment Income

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

Public Improvement Fees

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

Transfer from District No. 3

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

Expenditures

Treasurer's Fees

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

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures – (continued)

Transfer to District No. 1

The District transfers net property taxes derived from an Operations and Maintenance mill levy, together with a portion of specific ownership taxes, to District No. 1 (Operating District) to pay for general and administrative expenses.

Debt Service

Principal and interest payments in 2019 are provided based upon the debt amortization schedule from the Series 2015 Bonds discussed under Debt and Leases. Additionally, payments on Series 2014A, 2014B and 2018B Bonds are based on the amount of funds available. Therefore, a scheduled amortization has not been included in the budget.

Capital Outlay

Per the Dog Park Escrow Restoration Agreement, \$100,000 was transferred from the Developer to the District to cover expenses for completion of the restoration of the Dog Park in 2019.

Debt and Leases

Special Revenue Bonds, Series 2014

On June 4, 2014, the District authorized the issuance of Special Revenue Bonds, Series 2014A (the "Bonds") in the aggregate principal amount of up to \$12,165,000. The principal amount of the Bonds deemed issued from time to time shall equal the amount of Acknowledged Advances made under the Construction Funding Loan Agreement whereby which the Developer advances the funds to cover capital costs and such advances are converted to bond proceeds through the process of Bond Counsel issuing an opinion on each Acknowledged Advance. The District also issued Taxable Subordinate Special Revenue Bonds, Series 2014B (the "Subordinate Bonds") in the authorized principal amount of up to \$3,335,000, in order to provide for the repayment of Acknowledged Advances in excess of \$12,165,000. The principal balance of the Bonds shall bear an interest at the rate of 8.00%, payable semi-annually on each June 15 and December 15, commencing June 15, 2015, and shall mature on December 15, 2044.

To the extent interest on the Bonds is not paid when due, such interest shall compound annually, on each December 15. To the extent principal of the Bonds is not paid when due, such principal shall remain outstanding until paid. The Subordinate Bonds shall bear the same interest rate of 8.00% and to be payable only after the payment in full of the Bonds.

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

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

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

Limited Tax General Obligation and Special Revenue Bonds, Series 2015

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

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

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

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

District and District No. 3 each year in an amount sufficient, to pay the principal and interest on the Bonds as the same become due, and to replenish the Surplus Fund to the Maximum Surplus Amount, but not in excess of 50.000 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation). The maximum Required Mill Levy has been adjusted to 55.277.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases – (continued)

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

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

The Series 2018B Subordinate Limited Bonds were issued at the rate of 7.625% per annum and payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate

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

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

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

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

The District has no capital or operating leases.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Emergency Reserve

The District has not provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2019, as defined under TABOR, because net tax revenue is transferred to District No. 1, the Operating District, which provides for the required reserve amount.

Debt Service Reserves

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

Escrow Reserve

The District maintains an Escrow Reserve per the Escrow Agreement for the Dog Park Restoration of \$100,000 transferred from the Developer. The Escrow Funds are available for release upon receipt of periodic invoices from any contractor engaged by District No. 2.

This information is an integral part of the accompanying budget.

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

\$10,830,000

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

Series 2015, Dated December 17, 2015

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 70,000	\$ 582,112	\$ 652,112
2020	115,000	578,350	693,350
2021	120,000	572,169	692,169
2022	140,000	565,718	705,718
2023	150,000	558,194	708,194
2024	170,000	550,131	720,131
2025	180,000	540,994	720,994
2026	205,000	531,318	736,318
2027	215,000	520,300	735,300
2028	245,000	508,744	753,744
2029	255,000	495,575	750,575
2030	285,000	481,869	766,869
2031	300,000	466,550	766,550
2032	330,000	450,425	780,425
2033	350,000	432,688	782,688
2034	385,000	413,875	798,875
2035	405,000	393,181	798,181
2036	440,000	371,413	811,413
2037	465,000	347,763	812,763
2038	505,000	322,769	827,769
2039	535,000	295,625	830,625
2040	580,000	266,869	846,869
2041	610,000	235,693	845,693
2042	660,000	202,906	862,906
2043	695,000	167,431	862,431
2044	750,000	130,075	880,075
2045	1,670,000	89,763	1,759,763
TOTAL	<u>\$ 10,830,000</u>	<u>\$ 11,072,500</u>	<u>\$ 21,902,500</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

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

\$5,700,000

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

Series 2018B, Dated September 6, 2018

**Interest Rate of 7.625% Payable June 1 and
December 1, Principal Due December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 563,260	\$ 563,260
2020	-	477,574	477,574
2021	-	513,989	513,989
2022	-	548,643	548,643
2023	-	544,320	544,320
2024	-	534,371	534,371
2025	-	520,553	520,553
2026	-	505,589	505,589
2027	-	488,505	488,505
2028	-	469,873	469,873
2029	110,000	449,029	559,029
2030	336,000	426,238	762,238
2031	364,000	400,618	764,618
2032	408,000	372,863	780,863
2033	440,000	341,753	781,753
2034	488,000	308,203	796,203
2035	528,000	270,993	798,993
2036	588,000	230,733	818,733
2037	633,000	185,898	818,898
2038	700,000	137,631	837,631
2039	752,000	84,256	836,256
2040	353,000	26,912	379,912
TOTAL	<u><u>\$ 5,700,000</u></u>	<u><u>\$ 8,401,804</u></u>	<u><u>\$ 14,101,804</u></u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

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

the Board of Directors
(governing body)^B

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

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 12,456,259 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 12,456,259 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/03/2018 for budget/fiscal year 2019
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)

LEVY²

REVENUE²


1. General Operating Expenses ^H	11.055 mills	\$ 137,704
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	11.055 mills	\$ 137,704
3. General Obligation Bonds and Interest ^J	44.222 mills	\$ 550,841
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
	mills	\$

TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]

55.277

mills

\$ 688,545

Contact person: (print) Jason Carroll Daytime phone: (303) 779-5710
Signed:  Title: Accountant for the District

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

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