

LARKRIDGE METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898

Tel: 303-987-0835 800-741-3254

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Website: <https://larkridgemd1-2.colorado.gov/>

NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Jonathan Perlmutter	President	2023/May 2023
Shell D. Cook	Assistant Secretary	2025/May 2025
Doug Ernst	Treasurer	2025/May 2025
Jay Perlmutter	Assistant Secretary	2023/May 2023
Brain Heinze	Assistant Secretary	2023/May 2023
Ann E. Finn	Secretary (not an elected position)	

DATE: October 26, 2022

TIME: 10:00 a.m.

PLACE: ***Physical Location***
Jordon Perlmutter & Co.
1601 Blake Street, Suite 600
Denver, Colorado 80202

Conference Call
Phone Number: 1-669-900-6833
Meeting ID: 434 948 0582
Passcode: 355867

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Confirm quorum, location of the meeting and posting of meeting notices and designate 24-hour posting location. Approve Agenda

C. Review and approve the Minutes of the June 7, 2022 Regular Meeting (enclosure).

D. Consider Regular Meeting dates for 2023 (suggested dates are June 6, 2023 and October 10, 2023). Review and consider approval of Resolution No. 2022-10-___; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosure).

- E. Discuss §32-1-809, C.R.S., Transparency Notice reporting requirements and mode of eligible elector notification (2023 SDA Website).
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II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.
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III. FINANCIAL MATTERS

- A. Review and ratify approval of payment of claims for periods indicated below (enclosures):

Fund	Period ending June 9, 2022	Period ending July 13, 2022	Period ending August 11, 2022	Period ending Sept. 12, 2022
General	\$ 4,125.73	\$ 6,380.31	\$ 5,501.40	\$ 8,424.82
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 4,125.73	\$ 6,380.31	\$ 5,501.40	\$ 8,424.82

Fund	Period ending October 11, 2022
General	\$ 1,057.03
Debt	\$ -0-
Capital	\$ -0-
Total	\$ 1,057.03

- B. Review and accept unaudited quarterly financial statements through the period ending June 30, 2022 and the schedule of cash position statement October 14, 2022 (enclosure).
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- C. Conduct Public Hearing to consider Amendment to 2022 Budget. If necessary, consider adoption of Resolution No. 2022-10-__ ; Resolution to Amend the 2022 Budget and Appropriate Expenditures.
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- D. Conduct Public Hearing on the proposed 2023 Budget and consider adoption of Resolution No. 2022-10-__ ; Resolution to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-10-__ ; Resolution to Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – preliminary AV, draft 2023 Budget, and Resolutions).
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- E. Consider authorizing the District Accountant to prepare, appoint Board Member to sign, the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
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- F. Consider appointment of District Accountant to prepare 2024 Budget.
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- G. Consider engagement of Dazzio & Associates, P.C. for preparation of 2022 Audit, in the amount of \$5,200 (enclosure).
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- H. Review and approve CliftonLarsonAllen LLP 2023 Scope of work.
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IV. LEGAL MATTERS

- A. Discuss May 2, 2023 Regular Director Election and consider adoption of Resolution No. 2022-11-__ ; Resolution Calling May 2, 2023 Election for Directors, appointing Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election. Self-Nomination forms are due by February 24, 2023 (enclosure). Discuss the need for ballot issues and/or questions.
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- B. Discuss status of conveyance of Easements.
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- 1. Review and consider approval of the engagement of Fidelity National Title Insurance Company (to be distributed).
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V. OPERATIONS

- A. Discuss Operations and Maintenance Agreement between the District and Thornton 164 LLC.
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- B. Discuss District’s Operation and Maintenance Services for 2023 and consider approval of necessary service agreements for related services.
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VI. CAPITAL MATTERS

- A. _____
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VII. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2022.**

Additional Enclosure:

- Notice of rate increase from Special District Management Services, Inc.
- Notice of rate increase from McGeady Becher P.C.

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE LARKRIDGE METROPOLITAN DISTRICT NO. 2 HELD JUNE 7, 2022

A Regular Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Larkridge Metropolitan District No. 2 (the “District”) was convened on Tuesday, the 7th day of June, 2022 at 11:00 a.m. at Jordon Perlmutter & Co., 1601 Blake Street, Suite 600, Denver, Colorado 80202 and via conference call. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Shell D. Cook
Jonathan Perlmutter (via telephone)
Jay Perlmutter
Douglas Ernst
Brian S. Heinze

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

MaryAnn M. McGeady, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Alex Fink; CliftonLarsonAllen LLP

David Dansky; Foster Graham Milstein & Calisher (via telephone)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Ms. Finn noted that a quorum was present and requested that members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors’ Disclosure Statements had been filed.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board’s review and approval a proposed Agenda for the District’s Regular Meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Cook, seconded by Director Ernst and, upon vote, unanimously carried, the Agenda was approved, as presented.

Confirm Location of Meeting/Posting of Meeting Notices: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, upon motion duly made by Director Cook, seconded by Director Ernst and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location, which is within 20 miles of the District. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Designation of 24-Hour Posting Location: Following discussion, upon motion duly made by Director Cook, seconded by Director Ernst, and upon vote unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted at least 24 hours prior to each meeting on the District's website at: <https://larkridgemd1-2.colorado.gov/> or if posting on the website is unavailable, notice will be posted at the southwest corner of the intersection of 162nd and North Washington Street.

Minutes: The Board reviewed the Minutes of the October 12, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Cook, seconded by Director Ernst and, upon vote, unanimously carried, the Board approved the Minutes of the October 12, 2021 Special Meeting.

May 3, 2022 Election: Ms. Finn noted for the Board that the May 3, 2022 election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were no more candidates than positions available on the Board of Directors. Directors Shell D. Cook and Douglas Ernst were deemed elected to 3-year terms ending in May, 2025.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers. Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Cook and, upon vote, unanimously carried, the following officers were appointed:

RECORD OF PROCEEDINGS

President	Jonathan Perlmutter
Treasurer	Douglas Ernst
Secretary	Ann E. Finn (non-elected position)
Assistant Secretary	Shell D. Cook
Assistant Secretary	Jay Perlmutter
Assistant Secretary	Brian S. Heinze

2022 Special District Association’s Annual Conference: Ms. Finn discussed the SDA Conference with the Board and noted the information concerning the details of the conference will be emailed to them once the information is available.

**PUBLIC
COMMENTS**

There were no public comments.

**FINANCIAL
MATTERS**

Claims: The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period ending October 21, 2021	Period ending Nov. 18, 2021	Period ending Dec. 15, 2021	Period ending January 19, 2022
General	\$ 8,223.93	\$ 2,967.93	\$ 3,697.15	\$ 6,737.91
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Debt	\$ -0-	\$ -0-	\$ -0-	\$ 4,000.00
Total	\$ 8,223.93	\$ 2,967.93	\$ 3,697.15	\$ 10,737.91

Fund	Period ending February 08, 2022	Period ending March 08, 2022	Period ending April 08, 2022	Period ending May 11, 2022
General	\$ 1,315.30	\$ 4,041.93	\$ 2,423.59	\$ 1,820.05
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 1,315.30	\$ 4,041.93	\$ 2,423.59	\$ 1,820.05

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims, as presented.

Unaudited Financial Statements: Mr. Fink reviewed with the Board the Schedule of Cash Position Statement dated March 31, 2022. Following review and discussion, upon motion duly made by Director Ernst, seconded by Director Cook and, upon vote, unanimously carried, the Board accepted the Schedule of Cash Position Statement dated March 31, 2022.

2021 Audit: Mr. Fink reviewed with the Board the draft 2021 Audit. Following review and discussion, upon motion duly made by Director Ernst, seconded by Director Cook, and upon vote, unanimously carried, the Board approved the 2021 Audited Financial Statements and authorized execution of the Representations

RECORD OF PROCEEDINGS

Letter, subject to final legal review and receipt of an unmodified opinion letter from Auditor.

LEGAL MATTERS

Conveyance of Easements: Attorney Olson discussed with the Board the status of the conveyance of Easements and noted she is working with the title company and Attorney Danksy on finalizing the title commitments.

OPERATIONS

Operation and Maintenance Services for 2022: The Board discussed the Operation and Maintenance Services for 2022. There was no action taken by the Board at this time.

Operations and Maintenance Agreement between Thornton 164 LLC and the District: The Board deferred discussion and no action was taken by the Board at this time.

Service Agreement for Locate Services: The Board deferred discussion and action was taken by the Board at this time.

CAPITAL MATTERS

There were no capital matters.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Cook, seconded by Director Ernst and, upon vote, unanimously carried, the Special Meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RESOLUTION NO. 2022-10-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE LARKRIDGE METROPOLITAN DISTRICT NO. 2
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Larkridge Metropolitan District No. 2 (the “**District**”), Adams County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2023 shall be held on June 6, 2023 and October 10, 2023 at 11:00 a.m., at Jordon Perlmutter & Co., 1601 Blake Street, Suite 600, Denver, Colorado 80202 and via conference call.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, <https://larkridgemd1-2.colorado.gov/>, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) Northwest corner of the intersection of North Washington Street and E. 162nd Avenue

9. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on October 11, 2022.

**LARKRIDGE METROPOLITAN
DISTRICT NO. 2**

By: _____
President

Attest:

Secretary

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1816						
06/09/2022	CliftonLarsonAllen LLP	3287082	Accounting	1-7000	2,464.93	2,464.93
Total 1816:						<u>2,464.93</u>
1817						
06/09/2022	McGeady Becher P.C.	699M 4-2022	Legal Services	1-7460	732.79	732.79
Total 1817:						<u>732.79</u>
1818						
06/09/2022	Special Dist Mgmt Services	5-2022	District Manage	1-7440	839.21	839.21
06/09/2022	Special Dist Mgmt Services	5-2022	Election	1-7470	88.80	88.80
Total 1818:						<u>928.01</u>
Grand Totals:						<u><u>4,125.73</u></u>

Larkridge Metropolitan District No. 2
June-22

	General	Capital	Debt	Totals
Disbursements	\$ 4,125.73			\$ 4,125.73
Total Disbursements from Checking Acct	\$ 4,125.73	\$ -		\$ 4,125.73

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1819						
07/13/2022	CliftonLarsonAllen LLP	3312746	Accounting	1-7000	886.92	886.92
07/13/2022	CliftonLarsonAllen LLP	3341607	Accounting	1-7000	981.02	981.02
Total 1819:						<u>1,867.94</u>
1820						
07/13/2022	McGeady Becher P.C.	699M 5-2022	Legal Services	1-7460	3,277.36	3,277.36
Total 1820:						<u>3,277.36</u>
1821						
07/13/2022	Special Dist Mgmt Services	6-2022	District Manage	1-7440	1,220.21	1,220.21
07/13/2022	Special Dist Mgmt Services	6-2022	Election	1-7470	14.80	14.80
Total 1821:						<u>1,235.01</u>
Grand Totals:						<u><u>6,380.31</u></u>

Larkridge Metropolitan District No. 2
July-22

	General	Capital	Debt	Totals
Disbursements	\$ 6,380.31			\$ 6,380.31
Total Disbursements from Checking Acct	\$ 6,380.31	\$ -		\$ 6,380.31

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1822						
08/11/2022	CliftonLarsonAllen LLP	3371776	Accounting	1-7000	1,929.82	1,929.82
Total 1822:						1,929.82
1823						
08/11/2022	McGeady Becher P.C.	699M 6-2022	Legal Services	1-7460	2,960.29	2,960.29
Total 1823:						2,960.29
1824						
08/11/2022	Special Dist Mgmt Services	7-2022	District Manage	1-7440	596.49	596.49
08/11/2022	Special Dist Mgmt Services	7-2022	Election	1-7470	14.80	14.80
Total 1824:						611.29
Grand Totals:						5,501.40

Larkridge Metropolitan District No. 2
August-22

	General	Capital	Debt	Totals
Disbursements	\$ 5,501.40			\$ 5,501.40
Total Disbursements from Checking Acct	\$ 5,501.40	\$ -		\$ 5,501.40

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1825						
09/12/2022	CliftonLarsonAllen LLP	3403555	Accounting	1-7000	1,023.23	<u>1,023.23</u>
Total 1825:						<u>1,023.23</u>
1826						
09/12/2022	Colorado Special Districts P	23WC-60414-0	Insurance and B	1-7360	450.00	<u>450.00</u>
Total 1826:						<u>450.00</u>
1827						
09/12/2022	McGeady Becher P.C.	699M 7-2022	Legal Services	1-7460	1,155.30	<u>1,155.30</u>
Total 1827:						<u>1,155.30</u>
1828						
09/12/2022	Special Dist Mgmt Services	8-2022	District Manage	1-7440	796.29	<u>796.29</u>
Total 1828:						<u>796.29</u>
1829						
09/15/2022	Dazzio & Associates	567	Audit Fees	1-7020	5,000.00	<u>5,000.00</u>
Total 1829:						<u>5,000.00</u>
Grand Totals:						<u><u>8,424.82</u></u>

Larkridge Metropolitan District No. 2
September-22

	General	Capital	Debt	Totals
Disbursements	\$ 8,424.82			\$ 8,424.82
Total Disbursements from Checking Acct	\$ 8,424.82	\$ -		\$ 8,424.82

Check No/Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1830						
10/11/2022	McGeady Becher P.C.	699M 8-2022	Legal Services	1-7460	172.50	172.50
	Total 1830:					172.50
1831						
10/11/2022	RLI Surety	0936278	Insurance and B	1-7360	250.00	250.00
	Total 1831:					250.00
1832						
10/11/2022	Special Dist Mgmt Services	9-2022	District Manage	1-7440	634.53	634.53
	Total 1832:					634.53
	Grand Totals:					1,057.03

Larkridge Metropolitan District No. 2
October-22

	General	Capital	Debt	Totals
Disbursements	\$ 1,057.03			\$ 1,057.03
<u>Total Disbursements from Checking Acct</u>	<u>\$ 1,057.03</u>	<u>\$ -</u>		<u>\$ 1,057.03</u>

LARKRIDGE METROPOLITAN DISTRICT NO. 2

FINANCIAL STATEMENTS

JUNE 30, 2022

LARKRIDGE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Debt Service	Total
ASSETS			
Wells Fargo checking	\$ 12,929	\$ -	\$ 12,929
CSAFE	36,684	40	36,724
UMB - 2019 Bond Fund	-	6,001	6,001
UMB - 2019 Reserve Fund	-	1,276,492	1,276,492
Property tax receivable from TDA	69,538	370,788	440,326
Receivable from County Treasurer	748	3,990	4,738
UMB - 2019 Surplus Fund	-	1,113,167	1,113,167
TOTAL ASSETS	\$ 119,899	\$ 2,770,478	\$ 2,890,377
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payable	\$ 9,021	\$ -	\$ 9,021
Total Liabilities	9,021	-	9,021
FUND BALANCES			
Total Fund Balances	110,878	2,770,478	2,881,356
TOTAL LIABILITIES AND FUND BALANCES	\$ 119,899	\$ 2,770,478	\$ 2,890,377

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

LARKRIDGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,463	\$ 1,481	\$ 18
Property taxes received through TDA	98,987	98,922	(65)
Specific ownership tax	7,137	2,073	(5,064)
TOTAL REVENUES	<u>107,587</u>	<u>102,476</u>	<u>(5,111)</u>
EXPENDITURES			
Accounting	28,000	7,738	20,262
Audit	5,500	-	5,500
Contingency	4,078	-	4,078
County Treasurer's fee	22	22	-
District management	20,000	5,389	14,611
Dues and membership	400	352	48
Election expense	2,500	1,124	1,376
Insurance and bonds	5,000	4,573	427
Legal	30,000	8,084	21,916
Miscellaneous	1,000	84	916
Signage maintenance	8,500	-	8,500
TOTAL EXPENDITURES	<u>105,000</u>	<u>27,366</u>	<u>77,634</u>
NET CHANGE IN FUND BALANCES	2,587	75,110	72,523
FUND BALANCES - BEGINNING	<u>28,434</u>	<u>35,768</u>	<u>7,334</u>
FUND BALANCES - ENDING	<u>\$ 31,021</u>	<u>\$ 110,878</u>	<u>\$ 79,857</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

LARKRIDGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ 2,500	\$ 5,656	\$ 3,156
Property taxes	7,801	7,896	95
Property taxes received through TDA	527,927	527,471	(456)
Specific ownership tax	38,064	11,057	(27,007)
TOTAL REVENUES	<u>576,292</u>	<u>552,080</u>	<u>(24,212)</u>
EXPENDITURES			
Bond interest - Series 2019	801,675	400,838	400,837
Contingency	8,208	-	8,208
County Treasurer's fee	117	117	-
Paying agent fees	5,000	-	5,000
TOTAL EXPENDITURES	<u>815,000</u>	<u>400,955</u>	<u>414,045</u>
NET CHANGE IN FUND BALANCES	(238,708)	151,125	389,833
FUND BALANCES - BEGINNING	<u>2,622,676</u>	<u>2,619,353</u>	<u>(3,323)</u>
FUND BALANCES - ENDING	<u>\$ 2,383,968</u>	<u>\$ 2,770,478</u>	<u>\$ 386,510</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

LARKRIDGE METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order of the District Court in May 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Thornton, Colorado.

The District was established to provide public streets, traffic and safety protection, water, storm sewer, sanitary sewer, park and recreation, transportation, and mosquito control facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District.

At the organizational election for the District, the voters approved authorization to increase property taxes up to \$100,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Total debt authorization was also approved in the amount of \$500,000 for operations; \$5,254,772 for streets; \$1,124,512 for water; \$4,815,716 for sanitary sewer; \$11,695,000 for intergovernmental agreements; and \$11,695,000 for refunding debt. At elections on May 6, 2008 and May 8, 2012, a majority of the qualified electors of the District authorized the issuance of additional indebtedness in an amount not to exceed \$136,000,000 at an interest rate not to exceed 12% per annum, for each election.

On November 6, 2018, a majority of the qualified electors of the District approved authorization to increase property taxes up to \$23,000,000 to pay for public improvement debt, operations and maintenance debt, refunding debt, and intergovernmental agreements as debt, for a total of \$322,000,000.

The District received a loan in 2007 in the amount of \$5,200,000, the proceeds of which were allocated to some of the voted debt authorization (the "2007 Refunded Loan"). When the District received a loan in 2014 to in part refund the 2007 Refunded Loan, \$2,050,000 of authorization was re-instated due to a reduction of a reserve fund requirement relating to the 2007 Refunded Loan as follows: \$750,000 for water; \$800,000 for sanitary sewer; and \$500,000 for streets.

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

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.

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

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 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 the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the property tax summary information page.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7.0% of the property taxes collected by the General and Debt Service Funds, including the Property taxes received through TDA (see below).

Property Taxes Received Through TDA

The District has entered into a Tax Increment Sharing Agreement with the Thornton Development Authority (Authority), dated as of June 9, 2004, regarding the sharing of Tax Increment Revenues generated within the District. The Tax Increment Sharing Agreement provides that in consideration for the District providing public improvements and services, the Authority agrees that the portion of revenues which it receives as a result of ad valorem property tax increments, which are attributable to the District's current and future levy of ad valorem taxes on property within the Development and encompassed by the Urban Renewal Plan, shall be segregated upon receipt and shall be remitted by the Authority to the District within 45 days of the end of each quarter. The District will use such property tax revenue primarily to pay debt service on the Series 2019 General Obligation Refunding Bonds (discussed under Debts and Leases).

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.10%.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, meeting expense, landscaping, maintenance and other administrative expenses.

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

Expenditures (continued)

County Treasurer's Fees

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

Debt Service

Principal and interest payments in 2022 are provided based on the debt amortization schedule from the Series 2019 General Obligation Refunding Bonds (discussed under Debt and Leases).

Repayment of Developer Advances

In accordance with the Operations Funding and Facilities Acquisition and Reimbursement Agreements, the District has documented claims for cash advances and expenditures made on behalf of the District by the Developer and acquisition of assets from the Developer or related parties. The District is to reimburse the Developer at such time that the District has funds not otherwise required for debt service or operations of the District. At December 31, 2021, the outstanding and unreimbursed contingent liability for these advances or acquisitions totaled \$9,981,924 principal and interest.

Debt and Leases

Series 2019 Bonds

On January 15, 2019, the District issued \$15,270,000 of General Obligation Refunding Bonds Series 2019. Proceeds from the sale of the Bonds will be used to (i) refund the 2014 Loan; (ii) pay project costs; (iii) partially fund the Reserve Fund; and, (iv) pay costs of issuance of the Bonds. The Bonds were issued at a rate of 5.250% per annum, payable semi-annually on June 1 and December 1, beginning on June 1, 2019. Annual mandatory fund principal payments are due on December 1, beginning on December 1, 2024. The Bonds mature on December 1, 2048.

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue which is defined generally in the Indenture as:

- (a) moneys derived by the District from imposition of the Required Mill Levy, net of any costs of collection, whether received from the TDA pursuant to the TDA Cooperation Agreement, directly from the Adams County Treasurer, or otherwise;
- (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy, net any costs of collection; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

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

Debt and Leases (continued)

The Bonds are further secured by the Reserve Fund which is to be funded upon issuance of the Bonds in the amount of the Required Reserve equal to \$1,275,213 and by the Surplus Fund. Prior to the date the Conversion Date, Pledged Revenue that is not needed to pay debt service on the Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$1,527,000. Amounts in the Surplus Fund in excess of the Minimum Surplus Amount of \$850,000 may be applied to debt service, if needed, in order to maintain the minimum mill levy. Upon the Conversion Date, both the Reserve Fund and the Surplus Fund will be terminated and any moneys therein remitted to the District for application to any lawful purpose of the District.

The District's current debt service schedule is attached. The District has no operating or capital leases.

Reserves

Emergency Reserve Funds

The District has provided for an Emergency Reserve equal to at least 3.0% of fiscal year spending for 2022 as defined under TABOR.

Debt Service Reserves

The Debt Service Reserve Fund Requirement is \$1,275,213.

The Minimum Surplus Amount is \$850,00. The Maximum Surplus Amount is \$1,527,000.

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

**\$15,270,000 General Obligation Refunding Bonds
Series 2019
Interest 5.250%
Dated January 15, 2019
Interest Payable June 1 and December 1
Principal Due December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 801,675	\$ 801,675
2023	-	801,675	801,675
2024	55,000	801,675	856,675
2025	225,000	798,788	1,023,788
2026	260,000	786,975	1,046,975
2027	270,000	773,325	1,043,325
2028	305,000	759,150	1,064,150
2029	325,000	743,138	1,068,138
2030	360,000	726,075	1,086,075
2031	380,000	707,175	1,087,175
2032	425,000	687,225	1,112,225
2033	445,000	664,913	1,109,913
2034	490,000	641,550	1,131,550
2035	515,000	615,825	1,130,825
2036	565,000	588,788	1,153,788
2037	595,000	559,125	1,154,125
2038	650,000	527,888	1,177,888
2039	685,000	493,763	1,178,763
2040	745,000	457,800	1,202,800
2041	780,000	418,688	1,198,688
2042	850,000	377,738	1,227,738
2043	890,000	333,113	1,223,113
2044	965,000	286,388	1,251,388
2045	1,015,000	235,725	1,250,725
2046	1,090,000	182,438	1,272,438
2047	1,150,000	125,213	1,275,213
2048	1,235,000	64,838	1,299,838
	<u>\$ 15,270,000</u>	<u>\$ 14,960,669</u>	<u>\$ 30,230,669</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

Larkridge Metropolitan District No. 2
Schedule of Developer Advances

	Balance at December 31, 2020*	Additions*	Payments*	Balance at December 31, 2021*
Developer advance payable	\$ 8,670,185	\$ -	\$ -	\$ 8,670,185
Accrued interest on advances	851,352	460,387	-	1,311,739
	<u>\$ 9,521,537</u>	<u>\$ 460,387</u>	<u>\$ -</u>	<u>\$ 9,981,924</u>
	Balance at December 31, 2021*	Additions*	Payments*	Balance at December 31, 2022*
Developer advance payable	\$ 8,670,185	\$ -	\$ -	\$ 8,670,185
Accrued interest on advances	1,311,739	460,387	-	1,772,126
	<u>\$ 9,981,924</u>	<u>\$ 460,387</u>	<u>\$ -</u>	<u>\$ 10,442,311</u>

*Estimated amounts

LARKRIDGE METROPOLITAN DISTRICT NO. 2

Schedule of Cash Position

June 30, 2022

Updated as of October 14, 2022

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Wells Fargo - Checking</u>			
Balance as of 6/30/22	\$ 12,928.57	\$ -	\$ 12,928.57
Subsequent activities:			
07/14/22 - Released Checks 1819-1821	(6,380.31)	-	(6,380.31)
07/11/22 - Bank Fees	(40.68)	-	(40.68)
08/12/22 - Transfer from CSAFE	106,920.01	-	106,920.01
08/12/22 - Released Checks 1822-1824	(5,501.40)	-	(5,501.40)
09/12/22 - Released Checks 1825-1829	(8,424.82)	-	(8,424.82)
10/11/22 - Released Checks 1830-1832	(1,057.03)	-	(1,057.03)
<i>Anticipated Balance</i>	<u>98,444.34</u>	<u>-</u>	<u>98,444.34</u>
<u>CSAFE - Savings</u>			
Balance as of 6/30/22	36,684.14	39.66	36,723.80
Subsequent activities:			
07/10/22 - June PPTX Received	748.19	3,989.96	4,738.15
07/26/22 - TDA Q2 Deposit	69,537.68	370,788.44	440,326.12
07/31/22 - Interest Income	-	202.45	202.45
08/10/22 - July PPTX Received	980.60	5,229.88	6,210.48
08/12/22 - Transfer to Wells Fargo	(106,920.01)	-	(106,920.01)
08/12/22 - Transfer to Trustee	-	(375,020.51)	(375,020.51)
08/31/22 - Interest Income	-	335.77	335.77
09/10/22 - August PPTX Received	450.71	2,403.77	2,854.48
09/30/22 - Interest Income	-	18.85	18.85
10/03/22 - Transfer to Trustee	-	(7,969.42)	(7,969.42)
10/10/22 - September PPTX Received	1,940.20	10,347.71	12,287.91
<i>Anticipated Transfer to Trustee</i>	-	(10,366.56)	(10,366.56)
<i>Anticipated Balance</i>	<u>3,421.51</u>	<u>-</u>	<u>3,421.51</u>
<u>UMB Series 2019 - Bond Fund - 149225.1</u>			
Balance as of 6/30/22	-	6,001.31	6,001.31
Subsequent activities:			
07/01/22 - Transfer from Reserve Fund	-	1,226.40	1,226.40
07/31/22 - Interest Income	-	9.09	9.09
08/12/22 - Transfer from CSAFE	-	375,020.51	375,020.51
08/01/22 - Bank Fees	-	(0.55)	(0.55)
08/31/22 - Interest Income	-	402.71	402.71
09/01/22 - Bank Fees	-	(26.58)	(26.58)
09/30/22 - Interest Income	-	817.98	817.98
10/03/22 - Transfer from CSAFE	-	7,969.42	7,969.42
<i>Anticipated Transfer from CSAFE</i>	-	10,366.56	10,366.56
<i>Anticipated Balance</i>	<u>-</u>	<u>401,786.85</u>	<u>401,786.85</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

LARKRIDGE METROPOLITAN DISTRICT NO. 2

Schedule of Cash Position

June 30, 2022

Updated as of October 14, 2022

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>UMB Series 2019 - Reserve Fund - 149225.2</u>			
Balance as of 6/30/22	-	1,276,492.01	1,276,492.01
Subsequent activities:			
07/01/22 - Transfer to Bond Fund	-	(1,226.40)	(1,226.40)
07/01/22 - Bank Fees	-	(53.11)	(53.11)
07/31/22 - Interest Income	-	1,657.41	1,657.41
08/01/22 - Bank Fees	-	(106.29)	(106.29)
08/31/22 - Interest Income	-	2,651.06	2,651.06
09/01/22 - Bank Fees	-	(159.72)	(159.72)
09/30/22 - Interest Income	-	2,734.69	2,734.69
<i>Anticipated Balance</i>	<u>-</u>	<u>1,281,989.65</u>	<u>1,281,989.65</u>
<u>UMB Series 2019 - Surplus Fund - 149225.3</u>			
Balance as of 6/30/22	-	1,113,166.82	1,113,166.82
Subsequent activities:			
07/01/22 - Bank Fees	-	(46.31)	(46.31)
07/31/22 - Interest Income	-	1,446.70	1,446.70
08/01/22 - Bank Fees	-	(92.77)	(92.77)
08/31/22 - Interest Income	-	2,314.12	2,314.12
09/01/22 - Bank Fees	-	(139.41)	(139.41)
09/30/22 - Interest Income	-	2,387.13	2,387.13
<i>Anticipated Balance</i>	<u>-</u>	<u>1,119,036.28</u>	<u>1,119,036.28</u>
<i>Total Anticipated Balance</i>	<u>\$ 101,865.85</u>	<u>\$ 2,802,812.78</u>	<u>\$ 2,904,678.63</u>

Yield Information as of 6/30/22

CSAFE - 1.17%

UMB invested in C-Safe - 1.46%

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

LARKRIDGE METROPOLITAN DISTRICT NO. 2
Property Taxes Reconciliation
2022

	Current Year								Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	TIF Increment	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ -	\$ 2,514.02	\$ -	\$ -	\$ 2,514.02	0.00%	0.00%	\$ 2,478.57	0.00%	0.00%
February	159,568.41	-	(157,278.91)	2,717.81	-	(34.34)	4,972.97	24.71%	24.71%	\$ 5,215.64	19.27%	19.27%
March	32,082.21	-	(31,621.89)	2,711.02	-	(6.91)	3,164.43	4.97%	29.68%	\$ 4,383.17	2.47%	21.74%
April	97,012.10	-	(95,620.16)	30.60	-	(20.88)	1,401.66	15.03%	44.71%	\$ 7,938.86	49.04%	70.78%
May	214,530.89	-	(211,452.78)	2,545.00	-	(46.17)	5,576.94	33.23%	77.93%	\$ 3,017.41	0.55%	71.33%
June	142,115.23	-	(139,958.65)	2,612.13	-	(30.56)	4,738.15	23.28%	101.21%	\$ 4,628.63	21.23%	92.55%
July	-	-	-	-	-	-	-	0.00%	101.21%	\$ 2,670.03	0.21%	92.76%
August	-	-	-	-	-	-	-	0.00%	101.21%	\$ 3,219.26	5.53%	98.29%
September	-	-	-	-	-	-	-	0.00%	101.21%	\$ 3,640.74	1.51%	99.79%
October	-	-	-	-	-	-	-	0.00%	101.21%	\$ 2,886.07	0.00%	99.79%
November	-	-	-	-	-	-	-	0.00%	101.21%	\$ 2,961.45	0.00%	99.79%
December	-	-	-	-	-	-	-	0.00%	101.21%	\$ 2,637.66	0.00%	99.79%
Total	\$ 645,308.84	\$ -	\$ (635,932.39)	\$ 13,130.58	\$ -	\$ (138.86)	\$ 22,368.17	101.21%	101.21%	\$ 45,677.49	99.79%	99.79%

	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied	Mills	Assessed Valuation
Property Tax						
General Fund	\$ 1,463	15.79%	\$ 1,480.76	101.21%	7.500	\$ 13,594,180
Debt Service Fund	\$ 7,801	84.21%	7,895.69	101.21%	40.000	(13,399,150)
	<u>\$ 9,264</u>	<u>100.00%</u>	<u>\$ 9,376.45</u>	<u>101.21%</u>	<u>47.500</u>	<u>\$ 195,030</u>

Specific Ownership Tax

General Fund	\$ 7,137	15.79%	\$ 2,073.25	29.05%
Debt Service Fund	\$ 38,064	84.21%	11,057.33	29.05%
	<u>\$ 45,201</u>	<u>100.00%</u>	<u>\$ 13,130.58</u>	<u>29.05%</u>

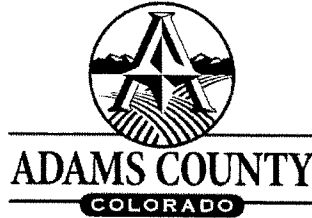
Treasurer's Fees

General Fund	\$ 22	15.79%	\$ 21.93	99.68%
Debt Service Fund	\$ 117	84.21%	116.93	99.94%
	<u>\$ 139</u>	<u>100.00%</u>	<u>\$ 138.86</u>	<u>99.90%</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

SEP 06 2022

Ken Musso
ASSESSOR



Assessor's Office
4430 South Adams County Parkway
2nd Floor, Suite C2100
Brighton, CO 80601-8201
PHONE 720.523.6038
FAX 720.523.6037
www.adcogov.org

August 31, 2022

LARKRIDGE METRO DISTRICT 2
SPECIAL DISTRICT MANAGEMENT SERVICES INC
Attn: ANN E FINN
141 UNION BLVD STE 150
LAKEWOOD CO 80228-1898

To ANN E FINN:

Enclosed is the corrected 2022 preliminary valuation. This valuation was adjusted due to an error in the increment on line 3. A final certification of value will be sent out on or before December 10, 2022.

This value is subject to change by the County Board of Equalization, Board of Assessment Appeals and the State Board of Equalization as provided by law.

Sincerely,

A handwritten signature in black ink, appearing to read 'KM', with a long horizontal flourish extending to the right.

Ken Musso
Adams County Assessor
KM/rmb

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: 229 - LARKRIDGE METRO DISTRICT 2

IN ADAMS COUNTY ON 8/25/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$195,030
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$15,970,540
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$15,765,070
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$205,470
5. NEW CONSTRUCTION: **	\$2,008,140
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$120.65

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$47,142,673
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$6,924,633
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
--	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$2,502
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

LARKRIDGE METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

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

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 2,862,441	\$ 2,651,110	\$ 2,655,121	\$ 2,655,121	\$ 2,455,494
REVENUES					
Property taxes	9,920	9,264	9,377	9,251	9,762
Specific ownership tax	35,316	45,201	13,130	26,260	53,103
Interest income	1,471	2,500	5,656	11,312	48,000
Property taxes received through TDA	617,181	626,914	626,393	626,914	737,608
Total revenues	<u>663,888</u>	<u>683,879</u>	<u>654,556</u>	<u>673,737</u>	<u>848,473</u>
Total funds available	<u>3,526,329</u>	<u>3,334,989</u>	<u>3,309,677</u>	<u>3,328,858</u>	<u>3,303,967</u>
EXPENDITURES					
General Fund	61,400	105,000	27,366	66,572	105,000
Debt Service Fund	809,808	815,000	400,955	806,792	815,000
Total expenditures	<u>871,208</u>	<u>920,000</u>	<u>428,321</u>	<u>873,364</u>	<u>920,000</u>
Total expenditures and transfers out requiring appropriation	<u>871,208</u>	<u>920,000</u>	<u>428,321</u>	<u>873,364</u>	<u>920,000</u>
ENDING FUND BALANCES	<u>\$ 2,655,121</u>	<u>\$ 2,414,989</u>	<u>\$ 2,881,356</u>	<u>\$ 2,455,494</u>	<u>\$ 2,383,967</u>
EMERGENCY RESERVE	\$ 3,200	\$ 3,300	\$ 3,200	\$ 3,100	\$ 4,000
DEBT SERVICE RESERVE FUND	1,275,213	1,275,213	1,275,213	1,275,213	1,275,213
DEBT SERVICE SURPLUS FUND	1,344,140	1,108,755	1,495,265	1,106,491	1,011,574
	<u>\$ 2,622,553</u>	<u>\$ 2,387,268</u>	<u>\$ 2,773,678</u>	<u>\$ 2,384,804</u>	<u>\$ 2,290,787</u>

No assurance provided. See summary of significant assumptions.

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

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION					
Commercial	\$ 9,259,020	\$ 9,287,910	\$ 9,287,910	\$ 9,287,910	\$ 12,110,770
Oil and gas	-	-	-	-	90
State assessed	3,890	4,660	4,660	4,660	5,060
Vacant land	1,891,680	2,081,440	2,081,440	2,081,440	1,555,520
Personal property	2,225,500	2,220,170	2,220,170	2,220,170	2,299,100
Other	4,180	-	-	-	-
	<u>13,384,270</u>	<u>13,594,180</u>	<u>13,594,180</u>	<u>13,594,180</u>	<u>15,970,540</u>
Adjustments	(13,181,490)	(13,399,150)	(13,399,150)	(13,399,150)	(15,765,070)
Certified Assessed Value	<u>\$ 202,780</u>	<u>\$ 195,030</u>	<u>\$ 195,030</u>	<u>\$ 195,030</u>	<u>\$ 205,470</u>
MILL LEVY					
General	7.500	7.500	7.500	7.500	7.500
Debt Service	40.000	40.000	40.000	40.000	40.000
Total mill levy	<u>47.500</u>	<u>47.500</u>	<u>47.500</u>	<u>47.500</u>	<u>47.500</u>
PROPERTY TAXES					
General	\$ 1,521	\$ 1,463	\$ 1,463	\$ 1,463	\$ 1,542
Debt Service	8,111	7,801	7,802	7,802	8,220
Levied property taxes	<u>9,632</u>	<u>9,264</u>	<u>9,265</u>	<u>9,265</u>	<u>9,762</u>
Adjustments to actual/rounding	288	-	112	111	-
Refunds and abatements	-	-	-	(126)	-
Budgeted property taxes	<u>\$ 9,920</u>	<u>\$ 9,264</u>	<u>\$ 9,377</u>	<u>\$ 9,250</u>	<u>\$ 9,762</u>
BUDGETED PROPERTY TAXES					
General	<u>\$ 1,566</u>	<u>\$ 1,463</u>	<u>\$ 1,481</u>	<u>\$ 1,461</u>	<u>\$ 1,541</u>
Debt Service	<u>8,354</u>	<u>7,801</u>	<u>7,896</u>	<u>7,790</u>	<u>8,221</u>
	<u>\$ 9,920</u>	<u>\$ 9,264</u>	<u>\$ 9,377</u>	<u>\$ 9,251</u>	<u>\$ 9,762</u>

No assurance provided. See summary of significant assumptions.

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

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (7,475)	\$ 28,434	\$ 35,768	\$ 35,768	\$ 73,790
REVENUES					
Property taxes	1,566	1,463	1,481	1,461	1,541
Property taxes received through TDA	97,406	98,987	98,922	98,987	116,464
Specific ownership tax	5,576	7,137	2,073	4,146	8,385
Interest income	95	-	-	-	2,000
Total revenues	<u>104,643</u>	<u>107,587</u>	<u>102,476</u>	<u>104,594</u>	<u>128,390</u>
Total funds available	<u>97,168</u>	<u>136,021</u>	<u>138,244</u>	<u>140,362</u>	<u>202,180</u>
EXPENDITURES					
General and administrative					
Accounting	23,760	28,000	7,738	20,000	28,000
Audit	5,000	5,500	-	5,000	5,500
Contingency	-	4,078	-	-	3,577
County Treasurer's fee	25	22	22	23	23
District management	7,823	20,000	5,389	12,000	20,000
Dues and membership	347	400	352	352	400
Election expense	-	2,500	1,124	1,124	2,500
Insurance and bonds	4,584	5,000	4,573	4,573	5,500
Legal	19,484	30,000	8,084	23,000	30,000
Miscellaneous	377	1,000	84	500	1,000
Operations and maintenance					
Signage maintenance	-	8,500	-	-	8,500
Total expenditures	<u>61,400</u>	<u>105,000</u>	<u>27,366</u>	<u>66,572</u>	<u>105,000</u>
Total expenditures and transfers out requiring appropriation	<u>61,400</u>	<u>105,000</u>	<u>27,366</u>	<u>66,572</u>	<u>105,000</u>
ENDING FUND BALANCE	<u>\$ 35,768</u>	<u>\$ 31,021</u>	<u>\$ 110,878</u>	<u>\$ 73,790</u>	<u>\$ 97,180</u>
EMERGENCY RESERVE	<u>\$ 3,200</u>	<u>\$ 3,300</u>	<u>\$ 3,200</u>	<u>\$ 3,100</u>	<u>\$ 4,000</u>
TOTAL RESERVE	<u>\$ 3,200</u>	<u>\$ 3,300</u>	<u>\$ 3,200</u>	<u>\$ 3,100</u>	<u>\$ 4,000</u>

No assurance provided. See summary of significant assumptions.

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

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 2,869,916	\$ 2,622,676	\$ 2,619,353	\$ 2,619,353	\$ 2,381,704
REVENUES					
Property taxes	8,354	7,801	7,896	7,790	8,221
Property taxes received through TDA	519,775	527,927	527,471	527,927	621,144
Specific ownership tax	29,740	38,064	11,057	22,114	44,718
Interest income	1,376	2,500	5,656	11,312	46,000
Total revenues	<u>559,245</u>	<u>576,292</u>	<u>552,080</u>	<u>569,143</u>	<u>720,083</u>
Total funds available	<u>3,429,161</u>	<u>3,198,968</u>	<u>3,171,433</u>	<u>3,188,496</u>	<u>3,101,787</u>
EXPENDITURES					
General and administrative					
Contingency	-	8,208	-	-	8,202
County Treasurer's fee	133	117	117	117	123
Paying agent fees	8,000	5,000	-	5,000	5,000
Debt Service					
Bond interest - Series 2019	801,675	801,675	400,838	801,675	801,675
Total expenditures	<u>809,808</u>	<u>815,000</u>	<u>400,955</u>	<u>806,792</u>	<u>815,000</u>
Total expenditures and transfers out requiring appropriation	<u>809,808</u>	<u>815,000</u>	<u>400,955</u>	<u>806,792</u>	<u>815,000</u>
ENDING FUND BALANCE	<u>\$ 2,619,353</u>	<u>\$ 2,383,968</u>	<u>\$ 2,770,478</u>	<u>\$ 2,381,704</u>	<u>\$ 2,286,787</u>
DEBT SERVICE RESERVE FUND	\$ 1,275,213	\$ 1,275,213	\$ 1,275,213	\$ 1,275,213	\$ 1,275,213
DEBT SERVICE SURPLUS FUND	1,344,140	1,108,755	1,495,265	1,106,491	1,011,574
TOTAL RESERVE	<u>\$ 2,619,353</u>	<u>\$ 2,383,968</u>	<u>\$ 2,770,478</u>	<u>\$ 2,381,704</u>	<u>\$ 2,286,787</u>

No assurance provided. See summary of significant assumptions.

LARKRIDGE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order of the District Court in May 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Thornton, Colorado.

The District was established to provide public streets, traffic and safety protection, water, storm sewer, sanitary sewer, park and recreation, transportation, and mosquito control facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District.

At the organizational election for the District, the voters approved authorization to increase property taxes up to \$100,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Total debt authorization was also approved in the amount of \$500,000 for operations; \$5,254,772 for streets; \$1,124,512 for water; \$4,815,716 for sanitary sewer; \$11,695,000 for intergovernmental agreements; and \$11,695,000 for refunding debt. At elections on May 6, 2008 and May 8, 2012, a majority of the qualified electors of the District authorized the issuance of additional indebtedness in an amount not to exceed \$136,000,000 at an interest rate not to exceed 12% per annum, for each election.

On November 6, 2018, a majority of the qualified electors of the District approved authorization to increase property taxes up to \$23,000,000 to pay for public improvement debt, operations and maintenance debt, refunding debt, and intergovernmental agreements as debt, for a total of \$322,000,000.

The District received a loan in 2007 in the amount of \$5,200,000, the proceeds of which were allocated to some of the voted debt authorization (the "2007 Refunded Loan"). When the District received a loan in 2014 to in part refund the 2007 Refunded Loan, \$2,050,000 of authorization was re-instated due to a reduction of a reserve fund requirement relating to the 2007 Refunded Loan as follows: \$750,000 for water; \$800,000 for sanitary sewer; and \$500,000 for streets.

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

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.

LARKRIDGE METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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 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 the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the property tax summary information page.

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

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7.0% of the property taxes collected by the General and Debt Service Funds, including the Property taxes received through TDA (see below).

Property Taxes Received Through TDA

The District has entered into a Tax Increment Sharing Agreement with the Thornton Development Authority (Authority), dated as of June 9, 2004, regarding the sharing of Tax Increment Revenues generated within the District. The Tax Increment Sharing Agreement provides that in consideration for the District providing public improvements and services, the Authority agrees that the portion of revenues which it receives as a result of ad valorem property tax increments, which are attributable to the District's current and future levy of ad valorem taxes on property within the Development and encompassed by the Urban Renewal Plan, shall be segregated upon receipt and shall be remitted by the Authority to the District within 45 days of the end of each quarter. The District will use such property tax revenue primarily to pay debt service on the Series 2019 General Obligation Refunding Bonds (discussed under Debts and Leases).

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 2%.

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

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, meeting expense, landscaping, maintenance and other administrative expenses.

County Treasurer's Fees

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

Debt Service

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2019 General Obligation Refunding Bonds (discussed under Debt and Leases).

Repayment of Developer Advances

In accordance with the Operations Funding and Facilities Acquisition and Reimbursement Agreements, the District has documented claims for cash advances and expenditures made on behalf of the District by the Developer and acquisition of assets from the Developer or related parties. The District is to reimburse the Developer at such time that the District has funds not otherwise required for debt service or operations of the District. At December 31, 2022, the outstanding and unreimbursed contingent liability for these advances or acquisitions totaled \$10,442,777 principal and interest.

Debt and Leases

Series 2019 Bonds

On January 15, 2019, the District issued \$15,270,000 of General Obligation Refunding Bonds Series 2019. Proceeds from the sale of the Bonds will be used to (i) refund the 2014 Loan; (ii) pay project costs; (iii) partially fund the Reserve Fund; and, (iv) pay costs of issuance of the Bonds. The Bonds were issued at a rate of 5.250% per annum, payable semi-annually on June 1 and December 1, beginning on June 1, 2019. Annual mandatory fund principal payments are due on December 1, beginning on December 1, 2024. The Bonds mature on December 1, 2048.

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue which is defined generally in the Indenture as:

- (a) moneys derived by the District from imposition of the Required Mill Levy, net of any costs of collection, whether received from the TDA pursuant to the TDA Cooperation Agreement, directly from the Adams County Treasurer, or otherwise;
- (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy, net any costs of collection; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

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

Debt and Leases (continued)

The Bonds are further secured by the Reserve Fund which is to be funded upon issuance of the Bonds in the amount of the Required Reserve equal to \$1,275,213 and by the Surplus Fund. Prior to the date the Conversion Date, Pledged Revenue that is not needed to pay debt service on the Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$1,527,000. Amounts in the Surplus Fund in excess of the Minimum Surplus Amount of \$850,000 may be applied to debt service, if needed, in order to maintain the minimum mill levy. Upon the Conversion Date, both the Reserve Fund and the Surplus Fund will be terminated and any moneys therein remitted to the District for application to any lawful purpose of the District.

The District's current debt service schedule is attached. The District has no operating or capital leases.

Reserves

Emergency Reserve Funds

The District has provided for an Emergency Reserve equal to at least 3.0% of fiscal year spending for 2023 as defined under TABOR.

Debt Service Reserves

The Debt Service Reserve Fund Requirement is \$1,275,213.

The Minimum Surplus Amount is \$850,00. The Maximum Surplus Amount is \$1,527,000.

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

**\$15,270,000 General Obligation Refunding Bonds
Series 2019**

Interest 5.250%

Dated January 15, 2019

Interest Payable June 1 and December 1

Year Ended December 31,	Principal Due December 1		
	Principal	Interest	Total
2023	\$ -	\$ 801,675	\$ 801,675
2024	55,000	801,675	856,675
2025	225,000	798,788	1,023,788
2026	260,000	786,975	1,046,975
2027	270,000	773,325	1,043,325
2028	305,000	759,150	1,064,150
2029	325,000	743,138	1,068,138
2030	360,000	726,075	1,086,075
2031	380,000	707,175	1,087,175
2032	425,000	687,225	1,112,225
2033	445,000	664,913	1,109,913
2034	490,000	641,550	1,131,550
2035	515,000	615,825	1,130,825
2036	565,000	588,788	1,153,788
2037	595,000	559,125	1,154,125
2038	650,000	527,888	1,177,888
2039	685,000	493,763	1,178,763
2040	745,000	457,800	1,202,800
2041	780,000	418,688	1,198,688
2042	850,000	377,738	1,227,738
2043	890,000	333,113	1,223,113
2044	965,000	286,388	1,251,388
2045	1,015,000	235,725	1,250,725
2046	1,090,000	182,438	1,272,438
2047	1,150,000	125,213	1,275,213
2048	1,235,000	64,838	1,299,838
	<u>\$ 15,270,000</u>	<u>\$ 14,158,994</u>	<u>\$ 29,428,994</u>

No assurance provided. See summary of significant assumptions.

Larkridge Metropolitan District No. 2
Schedule of Developer Advances

	Balance at December 31, 2021*	Additions*	Payments*	Balance at December 31, 2022*
Developer advance payable	\$ 8,670,184	\$ -	\$ -	\$ 8,670,184
Accrued interest on advances	\$ 1,312,002	460,591	-	1,772,593
	<u>\$ 9,982,186</u>	<u>\$ 460,591</u>	<u>\$ -</u>	<u>\$ 10,442,777</u>
	Balance at December 31, 2022*	Additions*	Payments*	Balance at December 31, 2023*
Developer advance payable	\$ 8,670,184	\$ -	\$ -	\$ 8,670,184
Accrued interest on advances	1,772,593	460,591	-	2,233,184
	<u>\$ 10,442,777</u>	<u>\$ 460,591</u>	<u>\$ -</u>	<u>\$ 10,903,368</u>

*Estimated amounts

No assurance provided. See summary of significant assumptions.

RESOLUTION NO. 2022-10-__
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LARKRIDGE METROPOLITAN DISTRICT NO. 2
TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Larkridge Metropolitan District No. 2 (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 11, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Larkridge Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Larkridge Metropolitan District No. 2 for the 2023 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 11th day of October, 2022.

Secretary

EXHIBIT A
(Budget)

I, Ann Finn, hereby certify that I am the duly appointed Secretary of the Larkridge Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Larkridge Metropolitan District No. 2 held on October 11, 2022.

By: _____
Secretary

RESOLUTION NO. 2022-10-___
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LARKRIDGE METROPOLITAN DISTRICT NO. 2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Larkridge Metropolitan District No. 2 (“District”) has adopted the 2023 annual budget in accordance with the Local Government Budget Law on October 11, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Larkridge Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 11th day of October, 2022.

Secretary

EXHIBIT A
(Certification of Tax Levies)



Dazzio & Associates, PC
Certified Public Accountants

October 14, 2022

To the Board of Directors and Management
Larkridge Metropolitan District No. 2
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide Larkridge Metropolitan District No. 2 (the District) for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2022.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund

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

- 1) Summary of Assessed Valuation, Mill Levy and Property Taxes Collected
- 2) Schedule of Debt Service Requirements to Maturity

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree

that our gross fee, including expenses, will not exceed \$5,200. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements which, if applicable, will also address other information in accordance with *AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Dazzio & Associates, P.C.

Dazzio & Associates, PC

RESPONSE:

This letter correctly sets forth the understanding of Larkridge Metropolitan District No. 2.

Management signature: _____

Title: _____

Date: _____

Board signature: _____

Title: _____

Date: _____

RESOLUTION NO. 2022-____ - ____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
LARKRIDGE METROPOLITAN DISTRICT NO. 2
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 2, 2023**

A. The terms of the offices of Directors Brian S. Heinze, Jonathan Perlmutter and Jay Perlmutter shall expire upon the election of his/her/their successors at the regular election, to be held on May 2, 2023 (“**Election**”), and upon such successors taking office.

B. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect three (3) Directors to serve until the second regular election, to occur May 4, 2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Larkridge Metropolitan District No. 2 (the “**District**”) of the County of Adams, Colorado:

1. Date and Time of Election. The Election shall be held on May 2, 2023, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, three (3) Directors shall be elected to serve until the second regular election, to occur May 4, 2027.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Ann E. Finn shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with Ann E. Finn, the Designated Election Official of the District, c/o Special District Management Solutions, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, (303)

987-0835, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 25, 2023).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from Ann E. Finn, the Designated Election Official for the District, c/o Special District Management Solutions, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, (303) 987-0835 and on the District's website at: <https://larkridgemd1-2.colorado.gov/>.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on February 28, 2023, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

9. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

10. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 2, 2023]**

RESOLUTION APPROVED AND ADOPTED on _____, 2022.

**LARKRIDGE METROPOLITAN
DISTRICT NO. 2**

By: _____
President

Attest:

Secretary



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: September 2, 2022

RE: Notice of 2023 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by the CPI (8.5%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.



October 15, 2022

Dear Client:

Our Firm prides itself on providing the highest level of service in the most efficient manner. In the current economic environment, we are facing increased costs in all areas of the business. In order to continue to provide consistent high-level service we have found it necessary to implement a rate increase.

In accordance with the Firm's fee engagement letter, this letter is to advise you that effective January 1, 2023, the hourly rates of selected attorneys and staff will be adjusted. Hourly rates will be as follows: Shareholders \$425 - \$550; Of Counsel \$380 - \$425; Associates \$275 - \$375; Paralegals and Directors \$225 - \$240; Law Clerks \$150; File Clerks \$30.

Commencing on January 1, 2023, we will begin charging most costs incurred on your behalf as an administrative fee equal to 1% of the legal fees charged in a given month. This fee includes such costs as long-distance telephone calls, research requiring a subscription database, in-office photocopies and faxes, ordinary postage, and messenger and delivery services, and includes a small overhead component. This fee may be adjusted with notice.

This fee is based on our historic experience, as well as client feedback, that invoices that itemize every photocopy, fax, and delivery charge are confusing. Any advances made on behalf of the client as well as major costs, such as major travel expenses, application/submittal/recording fees, election expenses, court costs, publication costs, express delivery, and conference calls and videoconferencing where a third-party provider is used, will be separately invoiced at our actual cost. If you have any questions or concerns about this change, please let us know.

We appreciate your continued trust and confidence in our Firm and look forward to representing your interests in 2023 and beyond.

Very truly yours,

McGEADY BECHER P.C.

A handwritten signature in blue ink that reads "Cheryl L. Matlosz".

Cheryl L. Matlosz
Firm Administrator