

BUDGET RESOLUTION
(2022)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
)ss.
COUNTY OF ADAMS)

The Board of Directors of Lakes Metropolitan District No. 2, County of Adams, Colorado (the "District") held a regular meeting via teleconferencing, on Wednesday, November 10, 2021, at the hour of 10:00 A.M.

The following members of the Board of Directors (the "Board") were present:

Michael A. Richardson
Paula J. Lindamood
Erika Volling

Director Florine Richardson was absent and such absence was excused by the Board. Also present were William Ankele, Esq. and Erin Stutz, Esq., White Bear Ankele Tanaka & Waldron, Professional Corporation. Also in attendance was a member of the public, Lori Morris, whose address is reflected in the official minutes of the meeting.

Mr. Richardson reported that, prior to the meeting, legal counsel notified each of the directors of the date, time and place of the budget meeting and the purpose for which it was called. He further reported that this is a special meeting of the Board and that a notice of special meeting was posted within the boundaries of the District and at the Clerk and Records' Office for Adams County, Colorado, and, to the best of his knowledge, remains posted to the date of this meeting.

NOTICE AS TO PROPOSED 2022 BUDGET FOLLOWS:

Thereupon, Director Volling introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

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

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

WHEREAS, upon due and proper notice, posted in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 10, 2021, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-101, *et seq.*, C.R.S., as applicable, and Article X, § 20 of the Colorado Constitution.

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

Section 1. Summary of 2022 Revenues and 2022 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2022, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. The budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the budget of the District fiscal year 2022.

In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 2 shall be deemed ratified by the Board.

Section 3. 2022 Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of eleven and one hundred thirty-three thousandths (11.133) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. 2022 Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2022 budget year, there is hereby levied a tax of forty-two and three hundred five thousandths (42.305) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. 2022 Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2022 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

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

Section 7. Appropriations. The amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto and incorporated herein, are hereby appropriated for the purposes thereof and no other.


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

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

The foregoing Resolution was seconded by Director Lindamood.

RESOLUTION APPROVED AND ADOPTED THIS 10th DAY OF NOVEMBER, 2021.

LAKES METROPOLITAN DISTRICT NO. 2




Officer of District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

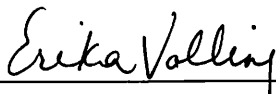


General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
LAKES METROPOLITAN DISTRICT NO. 2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a District meeting held on Wednesday, November 10, 2021 via teleconferencing, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 10th day of November, 2021.



BUDGET DOCUMENT
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	ACTUAL 2020	BUDGET 2021	ACTUAL 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 21,766	\$ 28,430	\$ 30,352	\$ 45,291
REVENUE:				
PROPERTY TAXES	23,017	23,083	23,074	25,078
SPECIFIC OWNERSHIP TAXES	1,689	1,700	1,915	2,000
INTEREST	8	-	-	-
TRANSFER FROM OTHER LOCAL GOV	-	-	-	-
TOTAL REVENUE	<u>24,714</u>	<u>24,783</u>	<u>24,989</u>	<u>27,078</u>
TOTAL FUNDS AVAILABLE	<u>46,480</u>	<u>53,213</u>	<u>55,341</u>	<u>72,369</u>
EXPENDITURES:				
ACCOUNTING	310	500	500	800
AUDITING	-	4,500	-	4,500
ELECTION	-	-	-	-
INSURANCE/SDA DUES	5,696	3,200	-	3,200
LEGAL	4,977	15,000	3,000	15,000
MANAGEMENT FEES	4,800	7,200	4,800	7,200
OFFICE SUPPLIES/MISCELLANEOUS	-	500	-	500
CONTINGENCY	-	15,000	-	10,000
TRANSFERS TO DEBT SERVICE	-	-	-	20,000
TREASURERS FEES	345	340	350	370
TABOR RESERVE FUND	-	1,400	1,400	1,800
TOTAL EXPENDITURES	<u>16,128</u>	<u>47,640</u>	<u>10,050</u>	<u>63,370</u>
ENDING FUND BALANCE	<u>\$ 30,352</u>	<u>\$ 5,573</u>	<u>\$ 45,291</u>	<u>\$ 8,999</u>
ASSESSED VALUATION		2,073,390		2,252,610
MILL LEVY		11.133		11.133
		<u>23,083</u>		<u>25,078</u>
		-		-
ROUNDING PROPERTY TAXES		<u>23,083</u>		<u>25,078</u>

BUDGET DOCUMENT
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	ACTUAL 2020	BUDGET 2021	ACTUAL 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUE:				
PROPERTY TAXES		-	-	-
SPECIFIC OWNERSHIP TAXES				-
ASSIGNMENT OF DEBT				
DEVELOPER BOND ISSUE				
CASH TRANSFERS FROM DISTRICT 1				
OTHER TRANSFERS FROM DISTRICT 1				
DEVELOPER ADVANCES		-	-	
TOTAL REVENUE	-	-	-	-
TOTAL FUNDS AVAILABLE	-	-	-	-
EXPENDITURES:				
CAPITAL OUTLAY		-	-	-
TRANSFER OF CAPITAL COSTS FROM DISTRICT 1				
TRANSFER OF DEV ADV INT FROM DISTRICT 1				
DEBT ISSUE COSTS		-		-
TRANSFER TO LAKES DISTRICT 1 CAPITAL	-			-
REPAYMENT OF DEVELOPER ADVANCES				
MISCELLANEOUS/CONTINGENCY	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
ASSESSED VALUATION		2,073,390		2,252,610
MILL LEVY		-		-
		-		-
		-		-
ROUNDING		-		-
PROPERTY TAXES		-		-

BUDGET DOCUMENT
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	ACTUAL 2020	BUDGET 2021	ACTUAL 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 25,802	\$ 5,845	\$ 5,984	\$ 3,158
REVENUE:				
PROPERTY TAXES	87,465	87,715	87,677	95,297
SPECIFIC OWNERSHIP TAXES	6,419	6,579	7,270	7,147
ASSIGNMENT OF DEBT				
INTEREST	29	30	-	30
BOND PROCEEDS	-			
TRANSFER FROM GENERAL FUND	-	-	-	20,000
TOTAL REVENUE	<u>93,913</u>	<u>94,324</u>	<u>94,947</u>	<u>122,474</u>
TOTAL FUNDS AVAILABLE	<u>119,715</u>	<u>100,169</u>	<u>100,931</u>	<u>125,632</u>
EXPENDITURES:				
BOND INTEREST	64,985	63,058	63,058	63,058
BOND PRINCIPAL	47,000	35,000	33,000	60,000
TREASURER FEES	1,746	1,228	1,315	1,334
BOND COSTS - AGENT FEES	-	400	400	400
MISCELLANEOUS/CONTINGENCY	-	-	-	-
TOTAL EXPENDITURES	<u>113,731</u>	<u>99,686</u>	<u>97,773</u>	<u>124,792</u>
ENDING FUND BALANCE	<u>\$ 5,984</u>	<u>\$ 483</u>	<u>\$ 3,158</u>	<u>\$ 840</u>
ASSESSED VALUATION		2,073,390		2,252,610
MILL LEVY		<u>42.305</u>		<u>42.305</u>
		87,715		95,297
		<u>-</u>		<u>-</u>
ROUNDING PROPERTY TAXES		<u>87,715</u>		<u>95,297</u>

THE LAKES METROPOLITAN DISTRICT NO. 2

2022 BUDGET MESSAGE

Introduction

The Lakes Metropolitan District No. 2 was organized on January 9, 2007 and is governed pursuant to provisions of the Colorado Special District Act. The District was organized to finance, acquire and construct certain public improvements including streets and safety controls, water and storm sewer service, park and recreation facilities, transportation and mosquito control improvements. The District was formed concurrently with The Lakes Metropolitan District Nos. 1, 3 and 4.

The budget reflects the projected spending plan for the 2022 fiscal year based on available revenues. This budget provides for the general operation of the District and repayment of debt service.

Property Taxes

The District has assessed valuation in 2021. The District is certifying a mill levy of 11.133 mills for operations and 42.305 mills for general obligation bonds and interest in 2021 for taxes collected in 2022.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, insurance and other expenses related to statutory operations of a local government. The District's primary source of operating revenue for 2022 is from property tax revenue.

Debt Service Fund is used to account for revenues and expenditures related to ongoing District debt. In 2017, the District issued \$1,585,000 General Obligation (Limited Tax) Bonds, Series 2017A. The Bonds have been reduced annually as required by the mandatory redemption. The District will impose a mill levy of 42.305 mills for debt service which shall be pledged to the debt. Other sources of revenue allocated to the debt service fund include specific ownership tax revenue from the debt service mill levy.