

2024 ANNUAL REPORT ON THE SERVICE PLAN

Reporting Period: January 1, 2024 – December 31, 2024

THE LAKES METROPOLITAN DISTRICT NO. 2

Pursuant to Section XII D of the Service Plan approved by the City of Brighton on September 5, 2006 and Section 32-1-207(3)(c), Colorado Revised Statutes, the Lakes Metropolitan District No. 2 (the “District”) provides the following information for the year ended December 31, 2023:

§32-1-207(3), C.R.S. Statutory Requirements

1. Boundary changes made.

There were no boundary changes in 2024.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

The District did not enter into or terminate any intergovernmental agreements with other governmental entities in the reporting year.

3. Access Information for copies of the District’s rules and regulations, if any, as of December 31 of the report year.

Information on the District’s rules and regulations, if any, may be obtained by contacting the District’s Manager, Erika Volling, at (303) 346-6437. Information on the District may also be obtained from the District’s website: <https://thelakesmetrodistricts.com>.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Adams County, Colorado and the Public Access to Courts Electronic Records (PACER), there is no litigation involving the District as of December 31, 2024

5. The status of the construction of public improvements by the District.

The District did not construct any public improvements in the reporting year.

6. A list of all facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

The District did not convey or dedicate any facilities or improvements to the county or municipality as of December 31 of the reporting year.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The final assessed valuation was \$2,730.770.

8. A copy of the Current year's budget.

A copy of the 2025 Budget is attached hereto as **Exhibit A**

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2024 Audit Exemption Application is in process and will be provided in a supplement to the annual report once finalized.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

To our actual knowledge, there is no uncured default existing for more than ninety days under any debt instrument of the District.

11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

To our actual knowledge, there is no inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety day period.

Service Plan Requirements

1. Construction projects (including but not limited to architectural plans, bidding documents and construction contracts).

The District did not begin work on any construction projects during the reporting period.

2. Debt issuance (including but not limited to ballot questions, bond or other indebtedness resolutions, trust indentures and similar financing documents, letters of credit or other guaranty agreements for same and official statements or offering circulars).

The District did not issue any debt in 2024. The 2017 bond (\$1,585,000 Limited Tax General Obligation Bonds, Series 2017) is current and in good standing.

3. Intergovernmental Agreements.

The District did not enter into any intergovernmental agreements during the reporting period.

4. District Litigation.

To our actual knowledge, based on review of the court records in Adams County, Colorado and the Public Access to Courts Electronic Records (PACER), there is no litigation involving the District as of December 31, 2024.

5. Assessed Valuation.

The assessed valuation was 2,730.770 as determined by the Adams County Assessor.

6. Material Citizen Complaints and Resolutions.

There were no issues that required dispute resolution during the reporting period.

7. District Contact Information.

Erika Volling, District Manager
330 Shadycroft Drive
Littleton, CO 80120
(303) 346-6437

8. Any other information deemed material by the City Manager.

The District is not aware of any other information deemed materials by the City Manager.

EXHIBIT A
2025 BUDGET

 BUDGET DOCUMENT
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2025

	ACTUAL 2023	BUDGET 2024	ACTUAL 2024	BUDGET 2025
BEGINNING FUND BALANCE	\$ 23,770	\$ 7,802	\$ 15,774	\$ 10,526
REVENUE:				
PROPERTY TAXES	25,395	31,749	31,748	32,207
SPECIFIC OWNERSHIP TAXES	1,740	2,000	1,530	2,400
INTEREST		-	154	-
TRANSFER FROM OTHER LOCAL GOV		-		-
TOTAL REVENUE	<u>27,135</u>	<u>33,749</u>	<u>33,432</u>	<u>34,607</u>
TOTAL FUNDS AVAILABLE	<u>50,905</u>	<u>41,551</u>	<u>49,206</u>	<u>45,133</u>
EXPENDITURES:				
ACCOUNTING	710	1,500	1,000	1,500
AUDITING		7,000		-
INSURANCE/SDA DUES	3,377	4,000	3,500	4,000
LEGAL	10,301	15,000	7,500	15,000
MANAGEMENT FEES	4,800	7,200	4,800	7,200
OFFICE SUPPLIES/WEBSITE/MISC	198	1,000	300	1,000
CONTINGENCY		4,000		4,000
TRANSFERS TO DEBT SERVICE	15,371		20,000	10,000
TREASURERS FEES	374	470	480	480
TABOR RESERVE FUND	-	1,200	1,100	1,300
TOTAL EXPENDITURES	<u>35,131</u>	<u>41,370</u>	<u>38,680</u>	<u>44,480</u>
ENDING FUND BALANCE	<u>\$ 15,774</u>	<u>\$ 181</u>	<u>\$ 10,526</u>	<u>\$ 653</u>
ASSESSED VALUATION		2,672,440		2,730,770
MILL LEVY		<u>11.880</u>		<u>11.794</u>
		31,749		32,207
		-		-
ROUNDING		-		-
PROPERTY TAXES		<u>31,749</u>		<u>32,207</u>

 BUDGET DOCUMENT
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2025

	ACTUAL 2023	BUDGET 2024	ACTUAL 2024	BUDGET 2025
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		2,672,440		2,730,770
MILL LEVY		-		-
		-		-
ROUNDING		-		-
PROPERTY TAXES		-		-

 BUDGET DOCUMENT
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2025

	ACTUAL 2023	BUDGET 2024	ACTUAL 2024	BUDGET 2025
BEGINNING FUND BALANCE	\$ 22,093	\$ 26,565	\$ 21,144	\$ 21,114
REVENUE:	-			
PROPERTY TAXES	96,505	120,645	120,645	122,388
SPECIFIC OWNERSHIP TAXES	6,611	9,048	5,814	9,200
ASSIGNMENT OF DEBT				
INTEREST		30	585	600
TRANSFER FROM GENERAL FUND	15,371		20,000	10,000
TOTAL REVENUE	<u>118,487</u>	<u>129,723</u>	<u>147,044</u>	<u>142,188</u>
TOTAL FUNDS AVAILABLE	<u>140,580</u>	<u>156,288</u>	<u>168,188</u>	<u>163,302</u>
EXPENDITURES:				
BOND INTEREST	60,188	58,000	57,851	54,284
BOND PRINCIPAL	57,000	96,000	87,000	106,800
TREASURER FEES	1,848	1,689	1,823	1,713
BOND COSTS - AGENT FEES	400	400	400	400
MISCELLANEOUS/CONTINGENCY	-	-	-	-
TOTAL EXPENDITURES	<u>119,436</u>	<u>156,089</u>	<u>147,074</u>	<u>163,197</u>
ENDING FUND BALANCE	<u>\$ 21,144</u>	<u>\$ 199</u>	<u>\$ 21,114</u>	<u>\$ 105</u>
ASSESSED VALUATION		2,672,440		2,730,770
MILL LEVY		<u>45.144</u>		<u>44.818</u>
		120,645		122,388
ROUNDING		-		-
PROPERTY TAXES		<u>120,645</u>		<u>122,388</u>

THE LAKES METROPOLITAN DISTRICT NO. 2

2025 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 2025 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 2024. The District is certifying a mill levy of 11.794 mills for operations and 44.818 mills for general obligation bonds and interest in 2024 for taxes collected in 2025.

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 2025 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 44.818 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.