

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2018

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

Attached are the 2018 budget and budget message for NORTH RANGE METROPOLITAN DISTRICT NO. 2 in Adams County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 7, 2017. If there are any questions on the budget, please contact

CliftonLarsonAllen LLP  
Attn: Denise Denslow, District Manager  
8390 E. Crescent Parkway, Suite 500  
Greenwood Village, CO 80111  
Telephone number: 303-779-4525

I, Denise Denslow, District Manager of the North Range Metropolitan District No. 2 hereby certify that the attached is a true and correct copy of the 2018 budget.

By:



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Denise Denslow, District Manager

**RESOLUTION**  
**ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**  
**(2018)**

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The Board of Directors of North Range Metropolitan District No. 2 (the "Board"), Commerce City, Adams County, Colorado (the "District") held a regular meeting at 17910 E. Parkside Drive North, Commerce City, Colorado, on Tuesday, November 7, 2017, at the hour of 6:30 P.M.

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

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## NOTICE AS TO PROPOSED 2018 BUDGET

**PROOF OF PUBLICATION  
COMMERCE CITY SENTINEL  
EXPRESS  
ADAMS COUNTY  
STATE OF COLORADO**

I, Beth Potter, do solemnly swear that I am the Publisher of the **Commerce City Sentinel Express** the same is a weekly newspaper printed and published in the County of Adams, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said county of Adams for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the act of March 3, 1879, or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of **ONE consecutive insertion(s)** and that the first publication of said notice was in the issue of newspaper, dated **24th day of October 2017** the last on the **24th day of October 2017**



Publisher, Subscribed and sworn before me,  
this **26th day of October 2017**



Notary Public.

**DAVID S. ERRAMOUSPE  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID #20164027149  
MY COMMISSION EXPIRES 7/10/2019**

**NOTICE OF PUBLIC HEARING  
ON THE PROPOSED 2018  
BUDGET AND NOTICE OF  
PUBLIC HEARING ON THE  
AMENDED 2017 BUDGET**

NOTICE IS HEREBY GIVEN that a proposed 2018 budget has been submitted to the Board of Directors (the "Board") of the **NORTH RANGE METROPOLITAN DISTRICT NO. 2** (the "District"). A copy of the proposed budget is on file in the office of CliftonLarsonAllen, LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado, where the same is open for public inspection.

NOTICE IS FURTHER GIVEN that an amendment to the 2017 budget has been submitted to the District. A copy of the proposed amended budget is on file in the office of CliftonLarsonAllen, LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado, where the same is open for public inspection.

Such proposed budget and amended budget will be considered at a public hearing during a meeting of the District to be held at 17910 E. Parkside Drive North, Commerce City, Colorado, on Tuesday, November 7, 2017 at 6:30 P.M. Any interested elector of the District may file any objections to the proposed budget or amended budget at any time prior to final adoption of the budget and amended budget by the governing body of the District.

BY ORDER OF THE BOARD OF DIRECTORS:  
NORTH RANGE METROPOLITAN  
DISTRICT NO. 2

/s/ WHITE BEAR ANKELE TANAKA  
& WALDRON  
Attorneys at Law

Published in: Commerce City Sentinel Express on October 24, 2017  
#170376

Thereupon, Director Kershisnik 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 2018 AND ENDING ON THE LAST DAY OF DECEMBER 2018.

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, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 7, 2017, interested electors were given the opportunity to file or register any objections to said proposed budget and no written objections were filed prior to the public hearing; 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 2018 Revenues and 2018 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2018, 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 for fiscal year 2018.

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. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2018 budget year, there is hereby levied a tax of 24.764 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2018 budget year, there is hereby levied a tax of 63.541 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 7. 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 8. 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 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.


Section 10. 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 Roberts.

*[Remainder of page intentionally left blank.]*

ADOPTED THIS 7<sup>th</sup> DAY OF NOVEMBER 2017.

NORTH RANGE METROPOLITAN DISTRICT NO. 2


  
\_\_\_\_\_  
Officer of District

ATTEST:

  
\_\_\_\_\_

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

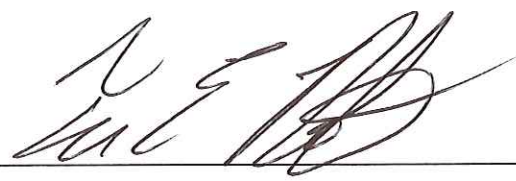
  
\_\_\_\_\_  
General Counsel to the District



STATE OF COLORADO  
COUNTY OF ADAMS  
NORTH RANGE 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 Tuesday, November 7, 2017, at 17910 E. Parkside Drive North, Commerce City, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 7<sup>th</sup> day of November 2017.

  
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**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**



**CliftonLarsonAllen**

**Accountant's Compilation Report**

CliftonLarsonAllen LLP  
CLAAconnect.com

Board of Directors  
North Range Metropolitan District No. 2  
Adams County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of North Range Metropolitan District No. 2 for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. A compilation is limited to presenting, in the form prescribed by CRS 29-1-105, information that is the representation of management. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

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

We are not independent with respect to North Range Metropolitan District No. 2.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 6, 2017

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**SUMMARY**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/6/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 763,231	\$ 1,121,702	\$ 7,425,174
REVENUES			
1 Property taxes	576,754	659,406	1,104,639
2 Specific ownership taxes	44,802	55,633	110,500
3 Developer advance	1,551,529	895,663	6,000,000
4 Net investment income	2,664	37,600	48,400
5 Bond issuance	-	37,631,000	-
6 Intergovernmental - System Development Fees	373,404	525,000	647,500
7 Intergovernmental - Sales tax sharing	-	250,000	252,500
8 Intergovernmental - Impact fees	139,364	177,150	218,485
9 Miscellaneous income	1,000	-	-
10 Fees	-	-	60,000
Total revenues	2,689,517	40,231,452	8,442,024
TRANSFERS IN	-	3,589,010	-
Total funds available	3,452,748	44,942,164	15,867,198
EXPENDITURES			
11 Audit	2,200	2,400	3,000
12 County Treasurer's fees	2,428	2,774	4,647
13 Dues and membership	406	439	500
14 Election	-	-	2,000
15 Insurance	2,680	2,933	3,100
16 Intergov Expenditure - RMD Operations	165,964	189,510	383,000
17 Miscellaneous	-	2,944	1,753
18 Bond interest	1,387,925	-	-
19 Bond interest - Series 2017A	-	942,383	1,766,969
20 Bond principal - Series 2006	620,000	-	-
21 Contingency	-	1,257	1,083
22 Cost of issuance	-	950,645	-
23 County Treasurer's fees	6,229	7,117	11,923
24 Developer advance repayment	139,364	-	-
25 Paying agent fees	3,850	7,500	9,000
26 Refunding escrow payment	-	25,818,098	-
Capital projects			
27 Capital outlay	-	-	6,000,000
28 Cost of issuance	-	199,980	-
29 Repay Developer advance	-	-	4,300,930
30 Transfer to Reunion - Bond proceeds	-	5,800,000	-
Total expenditures	2,331,046	33,927,980	12,487,905
TRANSFERS OUT	-	3,589,010	-
Total expenditures and transfers out requiring appropriation	2,331,046	37,516,990	12,487,905
ENDING FUND BALANCES	\$ 1,121,702	\$ 7,425,174	\$ 3,379,293
EMERGENCY RESERVE	\$ 5,300	\$ 6,100	\$ 10,300
DEBT SERVICE RESERVE REQUIREMENT	1,114,961	-	-
DEBT SERVICE RESERVE REQUIREMENT - Series 2017A	-	1,800,000	1,800,000
DEBT SERVICE SURPLUS - Series 2017A	-	1,338,947	1,568,814
TOTAL RESERVE	\$ 1,120,261	\$ 3,145,047	\$ 3,379,114

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
For the Years Ended and Ending December 31,

12/6/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
<b>ASSESSED VALUATION - ADAMS</b>			
Residential	\$ -	\$ 106,730	\$ 1,926,860
Commercial	4,616,090	5,261,190	5,855,410
Agricultural	10	10	5,390
Vacant Land	604,840	1,125,270	3,179,540
Personal Property	1,585,170	1,762,290	1,542,170
Certified Assessed Value	<u>\$ 6,806,110</u>	<u>\$ 8,255,490</u>	<u>\$ 12,509,370</u>
<b>MILL LEVY</b>			
GENERAL FUND	22.400	22.400	24.764
DEBT SERVICE FUND	57.470	57.470	63.541
Total Mill Levy	<u>79.870</u>	<u>79.870</u>	<u>88.305</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 152,457	\$ 184,923	\$ 309,782
DEBT SERVICE FUND	391,147	474,443	794,857
Levied property taxes	543,604	659,366	1,104,639
Adjustments to actual/rounding	33,150	40	-
Budgeted Property Taxes	<u>\$ 576,754</u>	<u>\$ 659,406</u>	<u>\$ 1,104,639</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 161,754	\$ 184,923	\$ 309,782
DEBT SERVICE FUND	415,000	474,483	794,857
	<u>\$ 576,754</u>	<u>\$ 659,406</u>	<u>\$ 1,104,639</u>

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/6/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 4,200	\$ 6,741	\$ 6,697
REVENUES			
1 Property taxes	161,754	184,923	309,782
2 Specific ownership taxes	12,565	15,633	31,000
3 Net investment income	900	400	1,000
4 Miscellaneous income	1,000	-	-
Total revenues	176,219	200,956	341,782
Total funds available	180,419	207,697	348,479
EXPENDITURES			
General and administration			
5 Audit	2,200	2,400	3,000
6 County Treasurer's fees	2,428	2,774	4,647
7 Dues and membership	406	439	500
8 Election	-	-	2,000
9 Insurance	2,680	2,933	3,100
10 Intergov Expenditure - RMD Operations	165,964	189,510	323,000
11 Miscellaneous	-	2,944	1,753
Total expenditures	173,678	201,000	338,000
Total expenditures and transfers out requiring appropriation	173,678	201,000	338,000
ENDING FUND BALANCES	\$ 6,741	\$ 6,697	\$ 10,479
EMERGENCY RESERVE	\$ 5,300	\$ 6,100	\$ 10,300
TOTAL RESERVE	\$ 5,300	\$ 6,100	\$ 10,300

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**

**DEBT SERVICE FUND**

**2018 BUDGET AS ADOPTED**

**WITH 2016 ACTUAL AND 2017 ESTIMATED**

**For the Years Ended and Ending December 31,**

12/6/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 759,031	\$ 1,114,961	\$ 3,138,947
REVENUES			
1 Property taxes	415,000	474,483	794,857
2 Specific ownership taxes	32,237	40,000	79,500
3 Developer advance	1,551,529	895,663	-
4 Net investment income	1,764	12,700	26,000
5 Bond issuance	-	30,965,000	-
6 Intergovernmental - System Development Fees	373,404	525,000	647,500
7 Intergovernmental - Sales tax sharing	-	250,000	252,500
8 Intergovernmental - Impact fees	139,364	177,150	218,485
Total revenues	2,513,298	33,339,996	2,018,842
Total funds available	3,272,329	34,454,957	5,157,789
EXPENDITURES			
Debt service			
9 Bond interest	1,387,925	-	-
10 Bond interest - Series 2017A	-	942,383	1,766,969
11 Bond principal - Series 2006	620,000	-	-
12 Contingency	-	1,257	1,083
13 Cost of issuance	-	950,645	-
14 County Treasurer's fees	6,229	7,117	11,923
15 Developer advance repayment	139,364	-	-
16 Paying agent fees	3,850	7,500	9,000
17 Refunding escrow payment	-	25,818,098	-
Total expenditures	2,157,368	27,727,000	1,788,975
TRANSFERS OUT			
CAPITAL PROJECTS FUND	-	3,589,010	-
Total transfers out	-	3,589,010	-
Total expenditures and transfers out requiring appropriation	2,157,368	31,316,010	1,788,975
ENDING FUND BALANCES	\$ 1,114,961	\$ 3,138,947	\$ 3,368,814
DEBT SERVICE RESERVE REQUIREMENT	\$ 1,114,961	\$ -	\$ -
DEBT SERVICE RESERVE REQUIREMENT - 2017A	-	1,800,000	1,800,000
DEBT SERVICE SURPLUS - Series 2017A	-	1,338,947	1,568,814
TOTAL RESERVE	\$ 1,114,961	\$ 3,138,947	\$ 3,368,814

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**SUBDISTRICT - CARRIAGE HOMES**  
**FORECASTED 2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/6/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Fees	-	-	60,000
Total revenues	-	-	60,000
Total funds available	-	-	60,000
EXPENDITURES			
General and administration			
2 Intergov Expenditure - RMD Operations	-	-	60,000
Total expenditures	-	-	60,000
Total expenditures and transfers out requiring appropriation	-	-	60,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**CAPITAL PROJECTS FUND**  
**FORECASTED 2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/6/2017

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 4,279,530
REVENUES			
1 Developer advance	-	-	6,000,000
2 Net investment income	-	24,500	21,400
3 Bond issuance	-	6,666,000	-
Total revenues	-	6,690,500	6,021,400
TRANSFERS IN			
DEBT SERVICE FUND	-	3,589,010	-
Total transfers in	-	3,589,010	-
Total funds available	-	10,279,510	10,300,930
EXPENDITURES			
Capital projects			
4 Capital outlay	-	-	6,000,000
5 Cost of issuance	-	199,980	-
6 Repay Developer advance	-	-	4,300,930
7 Transfer to Reunion - Bond proceeds	-	5,800,000	-
Total expenditures	-	5,999,980	10,300,930
Total expenditures and transfers out requiring appropriation	-	5,999,980	10,300,930
ENDING FUND BALANCES	\$ -	\$ 4,279,530	\$ -

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



**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

North Range Metropolitan District No.2 (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by Court Order and Decree of the District Court on December 27, 2000 and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District was organized in conjunction with North Range Metropolitan Districts Nos. 1, 3, 4, and 5 (collectively "NRMD's"), and the Reunion Metropolitan District ("Reunion"). Reunion and the NRMD's have entered into intergovernmental agreements whereby Reunion provides the construction for street improvements, storm drainage improvements, safety protection facilities, parks and recreation facilities and water and wastewater improvements. The service plan anticipates that Reunion will be responsible for managing the construction, operation, and maintenance of such improvements and facilities and that the NRMD's will provide the necessary funding to Reunion.

The district has no employees and all 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.

**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 page 3 of the Budget at the adopted total mill levy.

**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 10% of the property taxes collected by both the General Fund and the Debt Service Fund. The forecast assumes that specific ownership taxes allocable to property taxes collected by the Debt Service Fund will be pledged to debt service on the bonds during the term bonds are outstanding.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Interest**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1%.

**Intergovernmental revenue – System Development Fees**

The District has entered into an intergovernmental agreement with Reunion in order to collect a portion of system development fees which are pledged for the repayment of debt. The agreement provides that for each Residential System Development Fee collected by Reunion, \$3,500 is to be transferred to the District's Bond Fund.

**Intergovernmental revenue – Impact Fees**

Pursuant to the intergovernmental agreement with Reunion, the District receives road impact fees in the amount of \$1,181 for residential, commercial and industrial property located within the District.

**Intergovernmental revenue – Sales tax Revenue**

During 2017, the District has entered into an intergovernmental agreement with Reunion in order to collect \$250,000, inflated annually at 1% thereafter, of sales tax revenue collected by the City of Commerce City on property within the District.

**Expenditures**

**Intergovernmental expenditure**

Pursuant to intergovernmental agreements, the District will remit revenues to Reunion in order to pay the District's operational costs, which may include legal, management, election, accounting, insurance, and meeting expenses.

**Debt Service**

The District will make debt service payments on the Bonds as required.

**MLEPA payment to Reunion - Intergovernmental**

On June 3, 2016, the District entered into a Mill Levy Equalization and Pledge Agreement (MLEPA) with Reunion, District No. 2, District No. 3, and District No. 4 (collectively, the "MLEPA Districts" and individually, a "MLEPA District") in order to promote the integrated plan of development set forth in the Service Plans for the MLEPA Districts. The MLEPA is intended to ensure an equitable allocation among the MLEPA Districts of the costs of acquiring, installing, constructing, designing, administering, financing, operating, and maintaining streets, water, sanitation and various other public improvements (collectively, the "Public Improvements") and services, as well as covenant enforcement services within Reunion.

Pursuant to the MLEPA, each applicable North Range District agrees to impose an Equalization Mill Levy consisting of the Debt Service Mill Levy plus the Operations and Maintenance Mill Levy in order to pay the Developer Debt, the Senior Bonds (Series 2016A and 2016B), and the operations and maintenance costs of the Districts. The MLEPA generally defines the term "Developer Debt" as (i) amounts owed to the Developer by any applicable North Range District for advancing of guaranty payments on the Senior Bonds, for the provision of

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**2018 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

Public Improvements or for advancing of amounts to fund operations shortfalls and (ii) any other repayment obligations incurred by the MLEPA Districts in connection with advances made by the Developer to the MLEPA Districts for the purpose of paying the costs of designing, acquiring, installing, and constructing the Public Improvements or paying the operations and maintenance costs of the MLEPA Districts.

The District has levied the required operations and debt services mill levies under the MLEPA. Revenue generated from the Operations and Maintenance Mill Levy will be transferred to Reunion.

**Debt and Leases**

**Series 2017A and 2017B Bonds**

On May 19, 2017, the District issued its 2017A Bonds and its 2017B Bonds on May 19, 2017, in the amounts of \$30,965,000 and \$6,666,000, respectively. The proceeds from the sale of the 2017A Bonds and a prior reserve fund will be used to:

- (A) advance refund the District's Limited Tax General Obligation Bonds, Series 2007;
- (b) finance the acquisition, construction, and installation of certain public improvements;
- (c) fund the Reserve Fund;
- (d) fund a portion of the Surplus Fund; and
- (e) pay the costs of issuing the 2017A Bonds and the 2017B Bonds.

The proceeds from the sale of the 2017B Bonds are used to finance the acquisition, construction, and installation of certain public improvements.

The 2017A Bonds bear interest at rates ranging from 5.625% to 5.750%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on June 1, 2017. Annual mandatory sinking fund principal payments on the 2017A Bonds are due on December 1, beginning on December 1, 2023. The 2017A Bonds mature on December 1, 2047.

The 2017B Bonds bear interest rate of 7.75% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The 2017B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

In the event that, on December 15, 2057 any amount of principal of or interest on the 2017B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the 2017B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

The 2017A Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, net of any costs of collection, which is defined generally in the 2017A Indenture as:

- (a) the Senior Required Mill Levy;

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

(b) the Pledge Agreement Revenue;

(c) the Specific Ownership Tax Revenue attributable to the Senior Required Mill Levy; and

(d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2017A Bonds are further secured by amounts on deposit in the Reserve Fund, which will be funded with proceeds of the 2017A Bonds in the amount of \$1,800,000 and by amounts on deposit in the Surplus Fund. A portion of the Surplus Fund will be funded on the date of issuance of the 2017A Bonds in the amount of \$800,000. The remaining portion of the Surplus Fund, up to the Maximum Surplus Amount of \$3,096,500 will be funded with Senior Pledged Revenue to the extent available.

The 2017B Bonds are secured by and payable solely from and to the extent of the Subordinate Pledged Revenue, net of any costs of collection, which is defined generally in the 2017B Indenture as:

(a) the Subordinate Required Mill Levy;

(b) the Specific Ownership Tax Revenue attributable to the Subordinate Required Mill Levy;

(c) the Excess Senior Pledged Revenue; and

(d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The District has no leases.

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending, as defined under TABOR.

**Debt Service Reserve**

The District maintains a debt service reserve as required with the issuance of the Series 2017A Bonds.

**This information is an integral part of the accompanying budget.**

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

**\$30,965,000 Limited Tax G.O. and Special Revenue**  
**Refunding and Improvement Bonds**

**Series 2017A**

**May 19, 2017**

**Principal due December 1**

**Interest Rates 5.625% - 5.750% Payable**

**June 1 and December 1**

<b><u>Year Ended</u></b> <b><u>December 31,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018	\$ -	\$ 1,766,969	\$ 1,766,969
2019	-	1,766,969	1,766,969
2020	-	1,766,969	1,766,969
2021	-	1,766,969	1,766,969
2022	-	1,766,969	1,766,969
2023	235,000	1,766,969	2,001,969
2024	395,000	1,753,750	2,148,750
2025	425,000	1,731,531	2,156,531
2026	495,000	1,707,625	2,202,625
2027	520,000	1,679,781	2,199,781
2028	595,000	1,650,531	2,245,531
2029	625,000	1,617,063	2,242,063
2030	705,000	1,581,906	2,286,906
2031	745,000	1,542,250	2,287,250
2032	835,000	1,500,344	2,335,344
2033	880,000	1,453,375	2,333,375
2034	980,000	1,403,875	2,383,875
2035	1,035,000	1,348,750	2,383,750
2036	1,140,000	1,290,531	2,430,531
2037	1,205,000	1,226,406	2,431,406
2038	1,320,000	1,158,625	2,478,625
2039	1,395,000	1,082,725	2,477,725
2040	1,525,000	1,002,513	2,527,513
2041	1,610,000	914,825	2,524,825
2042	1,755,000	822,250	2,577,250
2043	1,855,000	721,338	2,576,338
2044	2,015,000	614,675	2,629,675
2045	2,130,000	498,813	2,628,813
2046	2,305,000	376,338	2,681,338
2047	4,240,000	243,800	4,483,800
	<u>\$ 30,965,000</u>	<u>\$ 39,525,431</u>	<u>\$ 70,490,431</u>

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

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**TO: County Commissioners<sup>1</sup> of Adams County, Colorado.On behalf of the North Range Metropolitan District No. 2,(taxing entity)<sup>A</sup>the Board of Directors(governing body)<sup>B</sup>of the North Range Metropolitan District No. 2(local government)<sup>C</sup>

Hereby officially certifies the following mills  
to be levied against the taxing entity's GROSS \$ 12,509,370  
assessed valuation of:

(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation  
(AV) different than the GROSS AV due to a Tax  
Increment Financing (TIF) Area<sup>F</sup> the tax levies must be  
calculated using the NET AV. The taxing entity's total  
property tax revenue will be derived from the mill levy  
multiplied against the NET assessed valuation of:

\$ 12,509,370

(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED  
BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/07/2017 for budget/fiscal year 2018  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

**PURPOSE** (see end notes for definitions and examples)**LEVY<sup>2</sup>****REVENUE<sup>2</sup>**

1. General Operating Expenses <sup>H</sup>	<u>24.764</u> mills	\$ <u>309,782</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<u>24.764</u> mills	\$ <u>309,782</u>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>63.541</u> mills	\$ <u>794,858</u>
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<u>88.305</u> mills	\$ <u>1,104,640</u>

Contact person:

(print)

Sarah Hunsche

Daytime

phone:

(303) 779-5710

Signed:

Sarah Hunsche

Title:

Accountant for the District

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

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form  
for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of  
Form DLG57 on the County Assessor's **FINAL** certification of valuation).

## CERTIFICATION OF TAX LEVIES, continued

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

### **CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

#### **BONDS<sup>J</sup>:**

1.	Purpose of Issue:	Refunding and Public infrastructure
	Series:	Limited Tax General Obligation and Special Revenue Refunding and Improvement Bonds Series 2017A
	Date of Issue:	May 19, 2017
	Coupon Rate:	5.625 - 5.750%
	Maturity Date:	December 1, 2047
	Levy:	63.541
	Revenue:	\$794,858
2.	Purpose of Issue:	Public infrastructure
	Series:	Subordinate Limited Tax General Obligation and Special Revenue Bonds Series 2017B
	Date of Issue:	May 19, 2017
	Coupon Rate:	7.75%
	Maturity Date:	December 15, 2047
	Levy:	0.000
	Revenue:	\$0

#### **CONTRACTS<sup>K</sup>:**

3.	Purpose of Contract:	Debt repayment
	Title:	Mill Levy Equalization and Pledge Agreement
	Date:	June 3, 2016
	Principal Amount:	n/a
	Maturity Date:	n/a
	Levy:	0.000
	Revenue:	\$0
4.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.