

LETTER OF BUDGET TRANSMITTAL

Date: January 29, 2020
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached is the 2020 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 January 22, 2020 pursuant to the 2020 Budget Resolution. If there are any questions on the budget, please contact

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

I, Matthew Urkoski, District Manager of the North Range Metropolitan District No. 2 hereby certify that the attached is a true and correct copy of the 2020 budget.

By:



Matthew Urkoski, District Manager

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

(2020)

The Board of Directors of North Range Metropolitan District No. 2 (the "Board"), Commerce City, Adams County, Colorado (the "District") held a special meeting at 17910 E. Parkside Drive North, Commerce City, Colorado, on Wednesday, January 22, 2020, at the hour of 2:00 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 2020 BUDGET

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

I, Steve Smith, 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 **14th day of January, 2020** the last on the **14th day of January, 2020**

Stephen D. Smith

Publisher, Subscribed and sworn before me,
this 14th day of January, 2020

Bobi Lopez

Notary Public.

**Bobi Lopez
Notary Public
State of Colorado
Notary ID 20024002511
My Commission Expires
March 26, 2023**

**NOTICE OF PUBLIC HEARING
ON THE PROPOSED
2020 BUDGETS
AND
NOTICE OF PUBLIC HEARING
ON THE AMENDED
2019 BUDGETS**

NOTICE IS HEREBY GIVEN that proposed 2020 budgets have been submitted to the Boards of Directors (the "Boards") of the NORTH RANGE METROPOLITAN DISTRICT NO. 2; NORTH RANGE METROPOLITAN DISTRICT NO. 2, SUBDISTRICT NO. 1; NORTH RANGE METROPOLITAN DISTRICT NO. 3; NORTH RANGE METROPOLITAN DISTRICT NO. 4; and NORTH RANGE METROPOLITAN DISTRICT NO. 5 (the "Districts"). Copies of the proposed budgets are on file in the office of CliftonLarsonAllen, LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2019 budgets have been submitted to the Districts. Copies of the proposed amended budgets are on file in the office of CliftonLarsonAllen, LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection.

Such proposed budgets and amended budgets will be considered at a public hearing during a special meeting of the Districts to be held at 17910 E. Parkside Drive North, Commerce City, Colorado, on Wednesday, January 22, 2020 at 2:00 P.M. Any interested elector of the Districts may file any objections to the proposed budgets or amended budgets at any time prior to final adoption of the budgets and amended budgets by the governing body of the District.

BY ORDER OF THE BOARD OF DIRECTORS:

NORTH RANGE METROPOLITAN DISTRICT NO. 2; NORTH RANGE METROPOLITAN DISTRICT NO. 2, SUBDISTRICT NO. 1, NORTH RANGE METROPOLITAN DISTRICT NO. 3, NORTH RANGE METROPOLITAN DISTRICT NO. 4 and NORTH RANGE METROPOLITAN DISTRICT NO. 5

/s/ Denise Denslow
District Manager

Published in:
Commerce City Sentinel
Published on: January 15, 2020

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 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board has authorized its 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 January 22, 2020, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget approved at the November 7, 2019 meeting, attached hereto and incorporated herein, is ratified and adopted as the budget of the District for fiscal year 2020. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of 24.320 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2020 budget year, there is hereby levied a tax of

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

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board ratifies the certification to the Board of County Commissioners of Adams County, Colorado of the mill levies for the District as set forth herein.

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

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30, 2020.

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

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ADOPTED THIS 22ND DAY OF JANUARY, 2020.

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 Wednesday, January 22, 2020, 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 22nd day of January, 2020.




EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE



CliftonLarsonAllen

Accountant's Compilation Report

CliftonLarsonAllen LLP
www.CLAconnect.com

Board of Directors
North Range Metropolitan District No. 2

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, 2020, including the estimate of comparative information for the year ending December 31, 2019 and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

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

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

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 21, 2020

**NORTH RANGE METROPOLITAN DISTRICT NO. 2
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/21/2020

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 5,570,638	\$ 5,152,892	\$ 4,924,267
REVENUES			
Property taxes - General Fund	308,564	404,802	600,327
Property taxes - Debt Service Fund	791,877	1,038,665	1,579,437
Specific ownership taxes	94,556	110,000	175,000
Interest income	97,303	155,540	45,200
System development fees	840,000	805,000	1,260,000
Sales tax sharing	252,500	255,025	257,575
Impact fees	283,440	271,630	425,160
Transfer from Reunion	-	-	33,369
Developer advance	1,580,653	-	-
Total revenues	<u>4,248,893</u>	<u>3,040,662</u>	<u>4,376,068</u>
Total funds available	<u>9,819,531</u>	<u>8,193,554</u>	<u>9,300,335</u>
EXPENDITURES			
General Fund	328,031	431,238	648,620
Debt Service Fund	1,784,351	1,788,049	3,535,715
Capital Projects Fund	2,554,257	1,050,000	200,000
Total expenditures	<u>4,666,639</u>	<u>3,269,287</u>	<u>4,384,335</u>
Total expenditures and transfers out requiring appropriation	<u>4,666,639</u>	<u>3,269,287</u>	<u>4,384,335</u>
ENDING FUND BALANCES	<u>\$ 5,152,892</u>	<u>\$ 4,924,267</u>	<u>\$ 4,916,000</u>
EMERGENCY RESERVE	\$ 10,100	\$ 13,100	\$ 19,500
DEBT SERVICE RESERVE - SERIES 2017A	1,800,000	1,800,000	1,800,000
DEBT SERVICE SURPLUS - SERIES 2017A	825,665	2,938,043	3,096,500
TOTAL RESERVE	<u>\$ 2,635,765</u>	<u>\$ 4,751,143</u>	<u>\$ 4,916,000</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
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/21/2020

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
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ASSESSED VALUATION

Residential	\$ 1,926,860	\$ 5,206,820	\$ 12,285,190
Commercial	5,855,410	5,796,390	7,379,910
Agricultural	5,390	3,080	1,690
State assessed	-	180	7,020
Vacant land	3,179,540	3,844,770	3,292,310
Personal property	1,542,170	1,495,130	1,718,370
Certified Assessed Value	\$ 12,509,370	\$ 16,346,370	\$ 24,684,490

MILL LEVY

General	24.764	24.764	24.320
Debt Service	63.541	63.541	63.985
Total mill levy	88.305	88.305	88.305

PROPERTY TAXES

General	\$ 309,782	\$ 404,802	\$ 600,327
Debt Service	794,857	1,038,665	1,579,437
Levied property taxes	1,104,639	1,443,467	2,179,764
Adjustments to actual/rounding	1	-	-
Refunds and abatements	(4,199)	-	-
Budgeted property taxes	\$ 1,100,441	\$ 1,443,467	\$ 2,179,764

BUDGETED PROPERTY TAXES

General	\$ 308,564	\$ 404,802	\$ 600,327
Debt Service	791,877	1,038,665	1,579,437
	\$ 1,100,441	\$ 1,443,467	\$ 2,179,764

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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/21/2020

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 6,200	\$ 14,429	\$ 19,593
REVENUES			
Property taxes - General Fund	308,564	404,802	600,327
Specific ownership taxes	26,513	30,000	48,000
Interest income	1,183	1,600	200
Total revenues	336,260	436,402	648,527
Total funds available	342,460	450,831	668,120
EXPENDITURES			
General and administrative			
County Treasurer's fee	4,630	6,072	9,005
Intergov expenditure - RMD operations	316,584	417,998	619,988
Audit	2,500	2,700	2,800
Dues and memberships	590	608	750
Director's fees	-	-	1,000
Insurance and bonds	3,727	3,860	4,000
Miscellaneous	-	-	3,000
Legal	-	-	5,000
Election	-	-	3,000
Payroll taxes	-	-	77
Total expenditures	328,031	431,238	648,620
Total expenditures and transfers out requiring appropriation	328,031	431,238	648,620
ENDING FUND BALANCE	\$ 14,429	\$ 19,593	\$ 19,500
EMERGENCY RESERVE	\$ 10,100	\$ 13,100	\$ 19,500
TOTAL RESERVE	\$ 10,100	\$ 13,100	\$ 19,500

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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/21/2020

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 3,428,329	\$ 3,943,832	\$ 4,738,043
REVENUES			
Property taxes - Debt Service Fund	791,877	1,038,665	1,579,437
Specific ownership taxes	68,043	80,000	127,000
Interest income	63,994	131,940	45,000
System development fees	840,000	805,000	1,260,000
Sales tax sharing	252,500	255,025	257,575
Impact fees	283,440	271,630	425,160
Total revenues	2,299,854	2,582,260	3,694,172
Total funds available	5,728,183	6,526,092	8,432,215
EXPENDITURES			
Debt Service			
County Treasurer's fee	11,883	15,580	23,692
Bond interest - Series 2017A	1,766,968	1,766,969	1,766,969
Bond interest - Series 2017B	-	-	1,739,554
Paying agent fees	5,500	5,500	5,500
Total expenditures	1,784,351	1,788,049	3,535,715
Total expenditures and transfers out requiring appropriation	1,784,351	1,788,049	3,535,715
ENDING FUND BALANCE	\$ 3,943,832	\$ 4,738,043	\$ 4,896,500
DEBT SERVICE RESERVE - SERIES 2017A	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
DEBT SERVICE SURPLUS - SERIES 2017A	825,665	2,938,043	3,096,500
TOTAL RESERVE	\$ 2,625,665	\$ 4,738,043	\$ 4,896,500

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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/21/2020

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 2,136,109	\$ 1,194,631	\$ 166,631
REVENUES			
Interest income	32,126	22,000	-
Transfer from Reunion	-	-	33,369
Developer advance	1,580,653	-	-
Total revenues	<u>1,612,779</u>	<u>22,000</u>	<u>33,369</u>
Total funds available	<u>3,748,888</u>	<u>1,216,631</u>	<u>200,000</u>
EXPENDITURES			
Capital Projects			
Capital outlay	1,580,653	-	-
Developer repayment	368,743	-	-
Landscape - Filing 26	-	1,050,000	200,000
Connection fee	317,981	-	-
ERU fee	286,880	-	-
Total expenditures	<u>2,554,257</u>	<u>1,050,000</u>	<u>200,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,554,257</u>	<u>1,050,000</u>	<u>200,000</u>
ENDING FUND BALANCE	<u>\$ 1,194,631</u>	<u>\$ 166,631</u>	<u>\$ -</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
2020 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 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material."

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification 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 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 8% of the property taxes collected by both the General Fund and the Debt Service Fund. The budget 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 the bonds are outstanding.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.0%.

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, and as amended on May 1, 2017, the District entered into a Mill Levy Equalization and Pledge Agreement (MLEPA) with Reunion, District No. 1, 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.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

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, the Reunion debt, 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 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 MLEPA generally defines the term “Senior Bonds” as all bonds issued by the North Range Districts, now or in the future, which bonds shall be senior to any obligations of the North Range Districts under the MLEPA. The term “Reunion Debt” generally means all bonds, agreements or other financial obligations issued or incurred by Reunion or assumed by Reunion from any North Range District, specifically including the 2017 Reunion Bonds.

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.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

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 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;

(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 capital or operating leases.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 35,991,496</u>	<u>\$ 66,956,496</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
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$6,666,000 Subordinate Limited Tax G.O.
and Special Revenue Bonds
Series 2017B
May 19, 2017
Principal due December 15
Interest Rate 7.750% Payable**

<u>Year Ended December 31,</u>	<u>December 15</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ -	\$ -
2021	-	1,182,970	1,182,970
2022	-	1,137,757	1,137,757
2023	-	704,373	704,373
2024	-	715,316	715,316
2025	-	715,408	715,408
2026	-	726,681	726,681
2027	-	729,525	729,525
2028	-	742,289	742,289
2029	91,000	654,394	745,394
2030	251,000	509,563	760,563
2031	270,000	490,110	760,110
2032	303,000	469,185	772,185
2033	329,000	445,703	774,703
2034	366,000	420,205	786,205
2035	394,000	391,840	785,840
2036	441,000	361,305	802,305
2037	475,000	327,128	802,128
2038	529,000	290,315	819,315
2039	571,000	249,318	820,318
2040	631,000	205,065	836,065
2041	683,000	156,163	839,163
2042	751,000	103,230	854,230
2043	581,000	45,028	626,028
	<u>\$ 6,666,000</u>	<u>\$ 11,772,871</u>	<u>\$ 18,438,871</u>

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

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Adams County, Colorado.

On behalf of the North Range Metropolitan District No. 2,
(taxing entity)^A

the Board of Directors,
(governing body)^B

of the North Range Metropolitan District No. 2,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 24,684,490 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 24,684,490 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/09/2019 for budget/fiscal year 2020.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>24.320</u> mills	\$ <u>600,327</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	24.320 mills	\$ 600,327
3. General Obligation Bonds and Interest ^J	<u>63.985</u> mills	\$ <u>1,579,437</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	88.305 mills	\$ 2,179,764

Contact person: (print) Shelby Clymer Daytime phone: (303) 779-5710
Signed: *Shelby Clymer* Title: Accountant for the District

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

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

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^J:

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: 63.985
 Revenue: \$1,579,437

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^K:

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.