

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**NORTH RANGE METROPOLITAN DISTRICT NO. 2, SUBDISTRICT NO. 1**  
**SPECIAL MEETING/BUDGET WORKSHOP AGENDA**

Reunion Recreation Center  
17910 East Parkside Drive North  
Commerce City, Colorado  
October 20, 2020  
4:00 p.m.

Due to concerns regarding the spread of COVID-19 and the current social distancing requirements in place, this meeting will be held electronically via MicroSoft Teams. See below for the link and information necessary to access the MicroSoft Teams meeting.

[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_Y2M5NDAYNDEtNTFkNi00MjQ4LWFhZWUtMDg5NzA3ODdlMDMz%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2278e91a46-bdcc-4fe5-980c-8ff3dcc70755%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_Y2M5NDAYNDEtNTFkNi00MjQ4LWFhZWUtMDg5NzA3ODdlMDMz%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2278e91a46-bdcc-4fe5-980c-8ff3dcc70755%22%7d)

or dial in:

[1 720-547-5281](tel:17205475281) United States, Denver (Toll)  
Conference ID: 144 091 015#

**North Range Metropolitan District No. 2**

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Aaron (AJ) Heiser, President	Term to May 2023
Brandon Reed, Vice President	Term to May 2023
Tiffanie Graham, Treasurer	Term to May 2023
Brett Price, Secretary	Term to May 2022
Bruce Rau, Asst. Secretary	Term to May 2022

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**AGENDA**

1. Call to Order/Declaration of Quorum
2. Director Disclosures
3. Approval of Agenda
4. Public Comment – Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes. Please sign in.
5. Financial Matters
  - A. Review and Discuss Draft 2021 Budgets (enclosed)
6. Other Business
7. Adjournment

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

10/6/2020

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 5,152,892	\$ 4,924,267	\$ 5,117,991	\$ 5,117,991	\$ 4,915,900
<b>REVENUES</b>					
Property taxes - General Fund	404,801	600,327	593,005	600,328	786,695
Property taxes - Debt Service Fund	1,038,663	1,579,437	1,560,174	1,579,439	2,069,797
Specific ownership taxes	114,780	175,000	73,287	156,000	199,955
Interest income	107,132	45,200	30,669	40,996	13,050
System development fees	1,064,000	1,260,000	381,500	822,500	651,000
Sales tax sharing	255,025	257,575	257,575	257,575	260,151
Impact fees	355,481	425,160	92,329	193,360	184,176
Transfer from Reunion	-	33,369	-	-	-
Total revenues	<u>3,339,882</u>	<u>4,376,068</u>	<u>2,988,539</u>	<u>3,650,198</u>	<u>4,164,824</u>
Total funds available	<u>8,492,774</u>	<u>9,300,335</u>	<u>8,106,530</u>	<u>8,768,189</u>	<u>9,080,724</u>
<b>EXPENDITURES</b>					
General Fund	431,238	648,620	616,355	646,951	835,914
Debt Service Fund	1,788,052	3,535,715	912,389	3,147,573	3,323,010
Capital Projects Fund	1,155,493	200,000	57,765	57,765	-
Total expenditures	<u>3,374,783</u>	<u>4,384,335</u>	<u>1,586,509</u>	<u>3,852,289</u>	<u>4,158,924</u>
Total expenditures and transfers out requiring appropriation	<u>3,374,783</u>	<u>4,384,335</u>	<u>1,586,509</u>	<u>3,852,289</u>	<u>4,158,924</u>
ENDING FUND BALANCES	<u>\$ 5,117,991</u>	<u>\$ 4,916,000</u>	<u>\$ 6,520,021</u>	<u>\$ 4,915,900</u>	<u>\$ 4,921,800</u>
EMERGENCY RESERVE	\$ 10,100	\$ 19,500	\$ 18,500	\$ 19,400	\$ 25,300
DEBT SERVICE RESERVE - SERIES 2017A	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
DEBT SERVICE SURPLUS - SERIES 2017A	1,860,818	3,096,500	1,871,057	3,096,500	3,096,500
TOTAL RESERVE	<u>\$ 3,670,918</u>	<u>\$ 4,916,000</u>	<u>\$ 3,689,557</u>	<u>\$ 4,915,900</u>	<u>\$ 4,921,800</u>

No assurance provided. See summary of significant assumptions.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/2020

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>					
Residential	\$ 5,206,820	\$ 12,285,190	\$ 12,285,190	\$ 12,285,190	\$ 17,619,710
Commercial	5,796,390	7,379,910	7,379,910	7,379,910	7,379,910
Agricultural	3,080	1,690	1,690	1,690	2,750
State assessed	180	7,020	7,020	7,020	12,050
Vacant land	3,844,770	3,292,310	3,292,310	3,292,310	5,765,730
Personal property	1,495,130	1,718,370	1,718,370	1,718,370	1,567,510
Certified Assessed Value	<u>\$ 16,346,370</u>	<u>\$ 24,684,490</u>	<u>\$ 24,684,490</u>	<u>\$ 24,684,490</u>	<u>\$ 32,347,660</u>
<b>MILL LEVY</b>					
General	24.764	24.320	24.320	24.320	24.320
Debt Service	63.541	63.985	63.985	63.985	63.986
Total mill levy	<u>88.305</u>	<u>88.305</u>	<u>88.305</u>	<u>88.305</u>	<u>88.306</u>
<b>PROPERTY TAXES</b>					
General	\$ 404,802	\$ 600,327	\$ 600,327	\$ 600,327	\$ 786,695
Debt Service	1,038,665	1,579,437	1,579,437	1,579,437	2,069,797
Levied property taxes	1,443,467	2,179,764	2,179,764	2,179,764	2,856,492
Adjustments to actual/rounding	(3)	-	(26,588)	-	-
Refunds and abatements	-	-	3	3	-
Budgeted property taxes	<u>\$ 1,443,464</u>	<u>\$ 2,179,764</u>	<u>\$ 2,153,179</u>	<u>\$ 2,179,767</u>	<u>\$ 2,856,492</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	<b>\$ 404,801</b>	<b>\$ 600,327</b>	<b>\$ 593,005</b>	<b>\$ 600,328</b>	<b>\$ 786,695</b>
Debt Service	<b>1,038,663</b>	<b>1,579,437</b>	<b>1,560,174</b>	<b>1,579,439</b>	<b>2,069,797</b>
	<u><b>\$ 1,443,464</b></u>	<u><b>\$ 2,179,764</b></u>	<u><b>\$ 2,153,179</b></u>	<u><b>\$ 2,179,767</b></u>	<u><b>\$ 2,856,492</b></u>

No assurance provided. See summary of significant assumptions.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/2020

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 14,429	\$ 19,593	\$ 22,123	\$ 22,123	\$ 19,400
REVENUES					
Property taxes - General Fund	404,801	600,327	593,005	600,328	786,695
Specific ownership taxes	32,189	48,000	20,102	43,000	55,069
Interest income	1,942	200	625	900	50
Total revenues	<u>438,932</u>	<u>648,527</u>	<u>613,732</u>	<u>644,228</u>	<u>841,814</u>
Total funds available	<u>453,361</u>	<u>668,120</u>	<u>635,855</u>	<u>666,351</u>	<u>861,214</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	6,073	9,005	8,896	9,005	11,800
Intergov expenditure - RMD operations	417,997	619,988	575,616	605,009	804,526
Audit	2,700	2,800	2,800	2,800	2,900
Dues and memberships	608	750	746	746	750
Director's fees	-	1,000	-	900	1,800
Insurance and bonds	3,860	4,000	4,934	4,934	6,000
Miscellaneous	-	3,000	-	-	3,000
Legal	-	5,000	-	-	5,000
Election	-	3,000	23,363	23,488	-
Payroll taxes	-	77	-	69	138
Total expenditures	<u>431,238</u>	<u>648,620</u>	<u>616,355</u>	<u>646,951</u>	<u>835,914</u>
Total expenditures and transfers out requiring appropriation	<u>431,238</u>	<u>648,620</u>	<u>616,355</u>	<u>646,951</u>	<u>835,914</u>
ENDING FUND BALANCE	<u>\$ 22,123</u>	<u>\$ 19,500</u>	<u>\$ 19,500</u>	<u>\$ 19,400</u>	<u>\$ 25,300</u>
EMERGENCY RESERVE	<u>\$ 10,100</u>	<u>\$ 19,500</u>	<u>\$ 18,500</u>	<u>\$ 19,400</u>	<u>\$ 25,300</u>

No assurance provided. See summary of significant assumptions.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/2020

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 3,943,832	\$ 4,738,043	\$ 5,038,199	\$ 5,038,199	\$ 4,896,500
<b>REVENUES</b>					
Property taxes - Debt Service Fund	1,038,663	1,579,437	1,560,174	1,579,439	2,069,797
Specific ownership taxes	82,591	127,000	53,185	113,000	144,886
Interest income	86,659	45,000	29,948	40,000	13,000
System development fees	1,064,000	1,260,000	381,500	822,500	651,000
Sales tax sharing	255,025	257,575	257,575	257,575	260,151
Impact fees	355,481	425,160	92,329	193,360	184,176
Total revenues	<u>2,882,419</u>	<u>3,694,172</u>	<u>2,374,711</u>	<u>3,005,874</u>	<u>3,323,010</u>
Total funds available	<u>6,826,251</u>	<u>8,432,215</u>	<u>7,412,910</u>	<u>8,044,073</u>	<u>8,219,510</u>
<b>EXPENDITURES</b>					
Debt Service					
County Treasurer's fee	15,583	23,692	23,405	23,692	31,047
Bond interest - Series 2017A	1,766,969	1,766,969	883,484	1,766,969	1,766,969
Bond interest - Series 2017B	-	1,739,554	-	1,351,412	1,261,666
Bond principal - Series 2017B	-	-	-	-	257,828
Paying agent fees	5,500	5,500	5,500	5,500	5,500
Total expenditures	<u>1,788,052</u>	<u>3,535,715</u>	<u>912,389</u>	<u>3,147,573</u>	<u>3,323,010</u>
Total expenditures and transfers out requiring appropriation	<u>1,788,052</u>	<u>3,535,715</u>	<u>912,389</u>	<u>3,147,573</u>	<u>3,323,010</u>
ENDING FUND BALANCE	<u>\$ 5,038,199</u>	<u>\$ 4,896,500</u>	<u>\$ 6,500,521</u>	<u>\$ 4,896,500</u>	<u>\$ 4,896,500</u>
DEBT SERVICE RESERVE - SERIES 2017A	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
DEBT SERVICE SURPLUS - SERIES 2017A	1,860,818	3,096,500	1,871,057	3,096,500	3,096,500
TOTAL RESERVE	<u>\$ 3,660,818</u>	<u>\$ 4,896,500</u>	<u>\$ 3,671,057</u>	<u>\$ 4,896,500</u>	<u>\$ 4,896,500</u>

No assurance provided. See summary of significant assumptions.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

10/6/2020

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 1,194,631	\$ 166,631	\$ 57,669	\$ 57,669	\$ -
REVENUES					
Interest income	18,531	-	96	96	-
Transfer from Reunion	-	33,369	-	-	-
Total revenues	<u>18,531</u>	<u>33,369</u>	<u>96</u>	<u>96</u>	<u>-</u>
Total funds available	<u>1,213,162</u>	<u>200,000</u>	<u>57,765</u>	<u>57,765</u>	<u>-</u>
EXPENDITURES					
Capital Projects					
Landscape - Filing 26	1,155,493	200,000	1,896	1,896	-
Intergovernmental- Reunion Operations	-	-	55,869	55,869	-
Total expenditures	<u>1,155,493</u>	<u>200,000</u>	<u>57,765</u>	<u>57,765</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,155,493</u>	<u>200,000</u>	<u>57,765</u>	<u>57,765</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 57,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
2021 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 7% 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  
2021 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 .25%.

**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 single family residential, commercial and industrial property and \$726 for multifamily residential located within the District.

**Intergovernmental revenue – Sales tax Revenue**

During 2017, the District 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  
2021 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  
2021 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 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;
- (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  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

**Facilities Acquisition Agreement**

On December 19, 2017, The District and the Developer entered in to Facilities Acquisition Agreement whereby the Developer agrees to cause Public Infrastructure to be designed, constructed, and completed subject to the terms and conditions set forth in the Agreement. In order to provide certainty as to the Public Infrastructure that will be constructed by the Developer on behalf of the District, such Public Infrastructure shall be identified in an addendum to the Agreement from time to time, which shall include a description of the Public Infrastructure to be constructed, the estimated cost of the Public Infrastructure, and the estimated completion date of the construction of such Public Infrastructure.

Upon acquisition, the District will become obligated to reimburse the Developer when the Developer has provided an executed Application for Acquisition, and all applicable information required. Interest will accrue at a rate of equal to the Municipal Market Data (MMD) BAA 30 year index, plus 5%, not to exceed a maximum interest rate of 8% simple interest, determined at the time at which the Repayment Obligation is incurred, to accrue from the date any such Repayment Obligation is incurred.

On May 3, 2018 the District approved a resolution recognizing costs in the amount of \$1,580,653. The District immediately reimbursed the Developer in the amount of \$368,743. As of December 31, 2019, outstanding advances under the agreement totaled \$1,211,910 and accrued interest totaled \$160,968.

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020
G.O Bonds - Series 2017B Unpaid Interest	1,416,483	626,392	1,351,412	691,463
Facilities Acquisition Agreement Capital	1,211,910	-	-	1,211,910
Facilities Acquisition Agreement Interest	160,968	96,953	-	257,921
Total	<u>\$ 2,789,361</u>	<u>\$ 723,345</u>	<u>\$ 1,351,412</u>	<u>\$ 2,161,294</u>
	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
G.O Bonds - Series 2017B Unpaid Interest	691,463	570,203	1,261,666	-
Facilities Acquisition Agreement Capital	1,211,910	-	-	1,211,910
Facilities Acquisition Agreement Interest	257,921	96,953	-	354,874
Total	<u>\$ 2,161,294</u>	<u>\$ 667,156</u>	<u>\$ 1,261,666</u>	<u>\$ 1,566,784</u>

No assurance provided. See summary of significant assumptions.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
2021 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.**

No assurance provided. See summary of significant assumptions.

**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>
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>\$ 34,224,527</u>	<u>\$ 65,189,527</u>

No assurance provided. See summary of significant assumptions.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2 (SUBDISTRICT NO. 1)**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2021**

**NORTH RANGE METROPOLITAN DISTRICT NO. 2 SUBDISTRICT NO. 1**  
**GENERAL FUND**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/12/20

	ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Maintenance fees	49,606	60,000	64,870	155,000	190,000
Total revenues	<u>49,606</u>	<u>60,000</u>	<u>64,870</u>	<u>155,000</u>	<u>190,000</u>
Total funds available	<u>49,606</u>	<u>60,000</u>	<u>64,870</u>	<u>155,000</u>	<u>190,000</u>
EXPENDITURES					
General and administrative					
Intergov expenditure - RMD Operations	49,606	60,000	64,870	155,000	190,000
Total expenditures	<u>49,606</u>	<u>60,000</u>	<u>64,870</u>	<u>155,000</u>	<u>190,000</u>
Total expenditures and transfers out requiring appropriation	<u>49,606</u>	<u>60,000</u>	<u>64,870</u>	<u>155,000</u>	<u>190,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.



**NORTH RANGE METROPOLITAN DISTRICT NO. 2 SUBDISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2021 BUDGET**  
**WITH 2019 ACTUAL AND 2020 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/20

ACTUAL 2019	BUDGET 2020	ACTUAL 6/30/2020	ESTIMATED 2020	BUDGET 2021
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ASSESSSED VALUATION

Residential	\$ -	\$ 503,880	\$ 503,880	\$ 503,880	\$ 2,024,250
Vacant land	206,400	942,820	942,820	942,820	111,860
State Assessed	-	-	-	-	22,190
Personal property	-	46,220	46,220	46,220	42,150
	206,400	1,492,920	1,492,920	1,492,920	2,200,450
Adjustments	-	-	-	-	-
Certified Assessed Value	\$ 206,400	\$ 1,492,920	\$ 1,492,920	\$ 1,492,920	\$ 2,200,450

MILL LEVY

Total mill levy	0.000	0.000	0.000	0.000	0.000
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PROPERTY TAXES

Budgeted property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
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No assurance provided. See summary of significant assumptions.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2 (SUBDISTRICT NO. 1)  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Board of Directors of North Range Metropolitan District (the "District") by resolution allowed for the division of the District into one or more areas. North Range Metropolitan District No. 2 Subdistrict No. 1 (the "Subdistrict") was established on October 10, 2017. The Subdistrict was created for the purpose of providing certain services, programs, and facilities to be furnished within the area of the Subdistrict, and to provide for the fair and equitable taxation within said are. The Subdistrict has entered into an intergovernmental agreement whereby Reunion Metropolitan District ("Reunion") provides the administrative services and operation and maintenance of public improvements. The Subdistrict will provide the necessary funding to Reunion.

The Subdistrict has no employees and all administrative functions are contracted.

The Subdistrict 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 Subdistrict 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**

**Maintenance Fees**

The Subdistrict imposes a monthly maintenance fee of \$100 per month on all occupied residential properties within the boundaries of the Subdistrict in order to fund the service costs of the Subdistrict. There are currently 155 units within the Subdistrict.

**Expenditures**

**Intergovernmental Expenditure**

Pursuant to an intergovernmental agreement with Reunion, the Subdistrict will remit revenues to Reunion in order to pay the Subdistrict's maintenance costs.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since all funds received by the Subdistrict are transferred to Reunion Metropolitan District, which pays for all of the Subdistrict's operations and maintenance costs, an Emergency Reserve is not reflected in the Subdistrict's budget.

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