

**BUDGET RESOLUTION
(2023)**

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) .ss
COUNTY OF WELD)

At the special meeting of the Board of Directors of LLA Metropolitan District No. 2 City of Hudson, County of Weld, Colorado, held at 1:00 p.m.. on October 20, 2022 via video conference:

<https://us02web.zoom.us/j/82667773824?pwd=TVQ4Ymo5YkI4c2NmcmZ3eU1rWjcyQT09&from=addon> Meeting ID: 826 6777 3824; Passcode: 118409, there were present:

Jeremy Porter

Also present were Dianne Miller, Sonja Steele and Rhonda Bilek of Miller Law pllc (“District Counsel”); Diane Wheeler of Wheeler & Simmons, LLC.

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a special meeting of the Board of Directors of the District and that the notice of the meeting was posted within the boundaries of the District, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Jeremy Porter 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 LLA METROPOLITAN DISTRICT NO. 2, CITY OF HUDSON, COUNTY OF WELD, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors (the “Board”) of the LLA Metropolitan District No. 2 (the “District”) has authorized its treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2022; and

WHEREAS, the proposed 2023 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on October 14, 2022, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 1:00 p.m. on October 20, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LLA METROPOLITAN DISTRICT NO. 2, WELD, COLORADO, AS FOLLOWS:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023.

Section 3. 2023 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money necessary to balance the budget for the General Fund for operating expenses is \$ 18,401.00, and that the 2022 valuation for assessment, as certified by the Weld County Assessor, is \$ 589,820.00. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 20.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 4. 2023 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$ 0.00 and that the 2022 valuation for assessment, as certified by the Weld County Assessor, is \$ 589,820.00. That for the purposes of meeting all debt retirement expenses of the District during the 2023 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 for the year 2022.

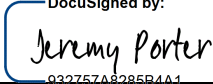
Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the Denver County Board of County Commissioners, no later than December 15, 2022, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the Budget shall be certified by the Secretary/Treasurer of the District and made a part of the public records of the District.

RESOLUTION APPROVED AND ADOPTED ON OCTOBER 20, 2022

LLA METROPOLITAN DISTRICT NO. 2

By: 

Jeremy Porter, President

STATE OF COLORADO
COUNTY OF WELD
LLA METROPOLITAN DISTRICT NO. 2

I, Jeremy Porter, hereby certify that I am a director and the duly elected and qualified President of the LLA Metropolitan District No. 2 (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 1:00 p.m. on October 20, 2022, via video conference as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on October 20, 2022.

DocuSigned by:
Jeremy Porter

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Jeremy Porter, President

EXHIBIT A
BUDGET DOCUMENT & BUDGET MESSAGE

LLA METROPOLITAN DISTRICT NO. 2
2023 BUDGET

LLA Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2023

| | Actual <u>2021</u> | Adopted Budget <u>2022</u> | Actual 6/30/22 | Estimated <u>2022</u> | Adopted Budget <u>2023</u> |
|---|-----------------------|----------------------------------|-------------------|--------------------------|----------------------------------|
| Beginning fund balance | \$ 7,511 | \$ 3,256 | \$ 9,127 | \$ 9,127 | \$ 4,922 |
| Revenues: | | | | | |
| Property taxes to LLA #1 | 19,330 | 19,371 | 19,371 | 19,371 | - |
| Specific ownership taxes to LLA #1 | 970 | 1,356 | 554 | 1,200 | - |
| Property taxes for Operations | 5,026 | 5,036 | 5,036 | 5,036 | 11,796 |
| Specific ownership taxes for operations | 252 | 684 | 144 | 300 | 708 |
| Developer advances | - | - | - | - | - |
| Interest income | 8 | 975 | 31 | 60 | 975 |
| | <u>25,586</u> | <u>27,422</u> | <u>25,136</u> | <u>25,967</u> | <u>13,479</u> |
| Total revenues | | | | | |
| Total funds available | <u>33,097</u> | <u>30,678</u> | <u>34,263</u> | <u>35,094</u> | <u>18,401</u> |
| Expenditures: | | | | | |
| Accounting / audit | 3,643 | 4,000 | 1,733 | 4,000 | 4,000 |
| Election expense | - | 1,000 | 1,052 | 1,200 | 1,000 |
| Insurance/SDA dues | 3,046 | 3,100 | 2,796 | 2,796 | 3,100 |
| Legal | 2,772 | 7,250 | 397 | 7,250 | 7,250 |
| Miscellaneous | 134 | 100 | 102 | 300 | 100 |
| Treasurer fees transfer to #1 | 290 | 291 | 291 | 291 | - |
| Treasurer fees for operations | 75 | 20 | 75 | 55 | - |
| Transfer to District #1 | 14,010 | 14,436 | 13,635 | 14,280 | - |
| Contingency | - | 25 | - | - | 2,503 |
| Emergency reserve (3%) | - | 456 | - | - | 448 |
| | <u>23,970</u> | <u>30,678</u> | <u>20,081</u> | <u>30,172</u> | <u>18,401</u> |
| Total expenditures | | | | | |
| Ending fund balance | <u>\$ 9,127</u> | <u>\$ -</u> | <u>\$ 14,182</u> | <u>\$ 4,922</u> | <u>\$ -</u> |
| Assessed valuation | | <u>\$ 387,420</u> | | | <u>\$ 589,820</u> |
| Mill Levy to transfer to #1 | | <u>50.000</u> | | | <u>-</u> |
| Mill levy for operations | | <u>13.000</u> | | | <u>20.000</u> |

CERTIFICATION OF VALUATION BY WELD COUNTY ASSESSOR

Name of Jurisdiction: 1543 - LLA METRO DISTRICT 2

IN WELD COUNTY ON 11/28/2022

New Entity: No

| |
|--|
| USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY |
|--|

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN WELD COUNTY, COLORADO

| | |
|--|-----------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$387,420 |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: * | \$589,820 |
| 3. LESS TIF DISTRICT INCREMENT, IF ANY: | \$0 |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | \$589,820 |
| 5. NEW CONSTRUCTION: ** | \$0 |
| 6. INCREASED PRODUCTION OF PRODUCING MINES: # | \$0 |
| 7. ANNEXATIONS/INCLUSIONS: | \$0 |
| 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: # | \$0 |
| 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.): | \$0 |
| 10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.): | \$0.00 |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.): | \$0.00 |

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

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| USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY |
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IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN WELD COUNTY, COLORADO ON AUGUST 25, 2022

| | |
|--|-----------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @ | \$395,367 |
| ADDITIONS TO TAXABLE REAL PROPERTY: | |
| 2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: ! | \$0 |
| 3. ANNEXATIONS/INCLUSIONS: | \$0 |
| 4. INCREASED MINING PRODUCTION: % | \$0 |
| 5. PREVIOUSLY EXEMPT PROPERTY: | \$0 |
| 6. OIL OR GAS PRODUCTION FROM A NEW WELL: | \$0 |
| 7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: | \$0 |
| (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.) | |
| DELETIONS FROM TAXABLE REAL PROPERTY: | |
| 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | \$0 |
| 9. DISCONNECTIONS/EXCLUSION: | \$0 |
| 10. PREVIOUSLY TAXABLE PROPERTY: | \$0 |

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

| | |
|--|-----|
| IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:-----> | \$0 |
|--|-----|

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

| | |
|--|--|
| IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** | |
| ** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S. | |

LLA METROPOLITAN DISTRICT NO. 2
2023
BUDGET MESSAGE

Attached please find a copy of the adopted 2023 budget for LLA Metropolitan District No. 2.

The LLA Metropolitan District No. 2 has adopted one fund, a General Fund to provide for general operating expenditures.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary source of revenue for the district in 2023 will be property taxes. The district intends to impose a 20.000 mill levy on the property within the district for 2023.