

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

**(2018)**

---

The Board of Directors of The Plaza Metropolitan District No. 2 (the “Board”), City of Lakewood, Colorado (the “District”) held a regular meeting at 464 South Teller Street, Lakewood, Colorado, on Wednesday, November 15, 2017, at the hour of 3:00 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.

*[Remainder of Page Intentionally Left Blank.]*

NOTICE AS TO PROPOSED 2018 BUDGET



Thereupon, Director Tompkins 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 15, 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 zero (0.000) 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 zero (0.000) 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 twenty-five (25.000) 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 zero (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 Jefferson 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 Herkal.

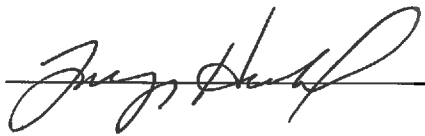
*[Remainder of page intentionally left blank.]*

ADOPTED THIS 15<sup>th</sup> DAY OF NOVEMBER 2017.

THE PLAZA 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 JEFFERSON  
THE PLAZA 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, November 15, 2017, at 464 South Teller Street, Lakewood, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 15<sup>th</sup> day of November 2017.

  
\_\_\_\_\_

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





**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 500  
Greenwood Village, CO 80111  
303-779-5710 | fax 303-779-0348  
CLAconnect.com

## **Accountant's Compilation Report**

Board of Directors  
Plaza Metropolitan District No. 2  
Jefferson County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of the Plaza 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, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 American Institute of Certified Public Accountants. 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 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 the Plaza Metropolitan District No. 2.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 2, 2018

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

1/2/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 6,879	\$ 6,524	\$ -
<b>REVENUES</b>			
1 Property taxes	229,106	220,560	310,143
2 Specific ownership taxes	70,522	90,401	120,339
3 Net investment income	229	90	100
4 Other income	-	-	5,000
Total revenues	299,857	311,051	435,582
Total funds available	306,736	317,575	435,582
<b>EXPENDITURES</b>			
5 Debt service			
6 Contingency	-	-	5,000
7 County Treasurer's fees	3,438	3,308	4,652
8 Transfer to Plaza No. 1	296,774	314,267	425,930
Total expenditures	300,212	317,575	435,582
Total expenditures and transfers out requiring appropriation	300,212	317,575	435,582
ENDING FUND BALANCES	\$ 6,524	\$ -	\$ -

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

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

1/2/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
<b>ASSESSED VALUATION - JEFFERSON</b>			
Residential	\$ -	\$ -	\$ 100,707
Commercial	37,620,753	40,469,471	58,878,848
Vacant Land	466,929	361,079	987,569
State Assessed	162,242	191,809	202,579
	<u>38,249,924</u>	<u>41,022,359</u>	<u>60,169,703</u>
Adjustments	(29,078,508)	(31,924,255)	(47,763,966)
Certified Assessed Value	<u>\$ 9,171,416</u>	<u>\$ 9,098,104</u>	<u>\$ 12,405,737</u>
<b>MILL LEVY</b>			
DEBT SERVICE FUND	25.000	25.000	25.000
Total Mill Levy	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>
<b>PROPERTY TAXES</b>			
DEBT SERVICE FUND	\$ 229,285	\$ 227,453	\$ 310,143
Levied property taxes	229,285	227,453	310,143
Adjustments to actual/rounding	(179)	(6,893)	-
Budgeted Property Taxes	<u>\$ 229,106</u>	<u>\$ 220,560</u>	<u>\$ 310,143</u>
<b>BUDGETED PROPERTY TAXES</b>			
DEBT SERVICE FUND	\$ 229,106	\$ 220,560	\$ 310,143
	<u>\$ 229,106</u>	<u>\$ 220,560</u>	<u>\$ 310,143</u>

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

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

1/2/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

**THE PLAZA 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,**

1/2/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 6,879	\$ 6,524	\$ -
REVENUES			
1 Property taxes	229,106	220,560	310,143
2 Specific ownership taxes	70,522	90,401	120,339
3 Net investment income	229	90	100
4 Other income	-	-	5,000
Total revenues	299,857	311,051	435,582
Total funds available	306,736	317,575	435,582
EXPENDITURES			
Debt service			
5 Contingency	-	-	5,000
6 County Treasurer's fees	3,438	3,308	4,652
7 Transfer to Plaza No. 1	296,774	314,267	425,930
Total expenditures	300,212	317,575	435,582
Total expenditures and transfers out requiring appropriation	300,212	317,575	435,582
ENDING FUND BALANCES	\$ 6,524	\$ -	\$ -

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

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

**Services Provided**

The District was organized by Court Order on January 2, 2001, to provide construction, installation, financing and operation of public improvements, including streets, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translators, mosquito and pest control, and other improvements needed for the Development. The District was organized in conjunction with other related districts, Plaza Metropolitan District No. 1 and Plaza Metropolitan District No. 3. Under the consolidated Service Plan, District No. 1 is to be the Service District and District Nos. 2 and 3 are to be the Financing Districts. The Service District will finance the majority, construct all, and may own and operate some of the public facilities. The Financing Districts will generate the majority of tax revenues sufficient to pay the costs of the capital improvements. The District's service area is located entirely within the City of Lakewood, Jefferson County, Colorado.

On November 7, 2000, District electors approved revenue indebtedness of \$100,000,000 for street improvements, \$7,000,000 for traffic safety, \$25,000,000 for parks and recreation, \$36,000,000 for water supply system, \$35,000,000 for sanitary sewer system, \$12,000,000 for television relay system, \$12,000,000 for public transportation, \$7,000,000 for mosquito control, \$246,000,000 for debt associated with intergovernmental contracts, \$241,000,000 for refinancing of District debt, and \$7,000,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$200,000 for general operations and maintenance, and \$5,000,000 in revenues other than ad valorem taxes.

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.

Under the consolidated Service Plan, the District is limited to the imposition of a mill levy in an amount not to exceed 25 mills; provided, however, that in the event the method of calculating assessed valuation is changed after the date of approval of the Service Plan, the mill levy limitation provided for the District will be automatically increased or decreased to reflect such changes, so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For the purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed

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

**Revenues – (continued)**

valuation. On December 3, 2002, the date of the consolidated Service Plan, the ratio of actual valuation to assessed valuation was 9.15% and currently the ratio is at 7.20%. Since the District contains virtually no residential property, the District's mill levy will remain at 25.000 mills.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the Budget at the adopted mill levy imposed by the District.

**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 on the gross Assessed Value.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.00%.

**Expenditures**

**Administrative Expenditures**

All administrative functions for the District are to be performed by District No. 1.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Transfers to Other Districts**

The District anticipates transferring all tax revenue in the total amount of \$425,930 to District No. 1's debt service fund.

**Reserves**

**Emergency Reserve**

Under the consolidated Service Plan and Master Intergovernmental Agreement, the District transfers all of its revenues to District No. 1, which has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2018, as defined under TABOR.

**Debt and Leases**

The District has no debt issued and has no operating or capital leases.

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