LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

To: Division of Local Government

1313 Sherman Street, Room 521

Denver, Colorado 80203

Attached are the 2024 budget and budget message for THIRD CREEK METROPOLITAN DISTRICT NO. 2 of Adams County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 25, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP
Attn: Lisa Johnson, District Manager
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710
lisa.johnson@claconnect.com

I, Lisa Johnson, District Manager of the Third Creek Metropolitan District No. 2 hereby certify that the attached is a true and correct copy of the 2024 budget.

Lisa Johnson, District Manager

RESOLUTION NO. 2023-10-04

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY RESOLUTION OF THE BOARD OF DIRECTORS OF THIRD CREEK METROPOLITAN DISTRICT NO. 2, ADAMS COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2024

- A. The Board of Directors of Third Creek Metropolitan District No. 2 (the "**District**") has appointed the CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.
- B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body for its consideration.
- C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 25, 2023, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.
- D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("**TABOR**") and other laws or obligations which are applicable to or binding upon the District.
- E. 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.
- F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.
- G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THIRD CREEK METROPOLITAN DISTRICT NO. 2, ADAMS COUNTY, COLORADO:

- 1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.
- 2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.
- 3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

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[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY]

RESOLUTION APPROVED AND ADOPTED on OCTOBER 25, 2023.

THIRD CREEK METROPOLITAN DISTRICT NO. 2

	By: Kent Ped
	President
Attest:	
Jonathan Beckwitt	
By: Secretary	

EXHIBIT A

Budget

THIRD CREEK METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

THIRD CREEK METROPOLITAN DISTRICT NO. 2 SUMMARY 2024 BUDGET

	ACTUAL 2022		ESTIMATED 2023		BUDGET 2024
BEGINNING FUND BALANCES	\$	-	\$	(8,791)	\$ -
REVENUES					
Property taxes		1,524		2,399	480
Specific ownership taxes		103		168	34
Interest income		-		5	5
Developer advance		30,737		209,923	105,000
Transfers from other districts		-		-	25,271,587
Total revenues		32,364		212,495	25,377,106
Total funds available		32,364		203,704	25,377,106
EXPENDITURES					
General Fund		41,155		130,000	105,000
Debt Service Fund		-		2,144	433
Capital Projects Fund		-		71,560	25,271,587
Total expenditures		41,155		203,704	25,377,020
Total expenditures and transfers out					
requiring appropriation		41,155		203,704	25,377,020
ENDING FUND BALANCES	\$	(8,791)	\$	-	\$ 86

THIRD CREEK METROPOLITAN DISTRICT NO. 2 PROPERTY TAX SUMMARY INFORMATION 2024 BUDGET

		ACTUAL	ES	STIMATED		BUDGET
	2022		2023			2024
ASSESSED VALUATION						
Agricultural	\$	6,630	\$	6,050	\$	6,120
State assessed	*	16,190	•	29,510	•	30
Personal property		-		-		460
Certified Assessed Value	\$	22,820	\$	35,560	\$	6,610
MILL LEVY						
General		66.796		11.241		12.096
Debt Service		0.000		56.203		60.481
Total mill levy		66.796		67.444		72.577
PROPERTY TAXES						
General	\$	1,524	\$	400	\$	80
Debt Service		-		1,999		400
Levied property taxes		1,524		2,399		480
Budgeted property taxes	\$	1,524	\$	2,399	\$	480
BUDGETED PROPERTY TAXES General	\$	1,524	\$	400	\$	80
Debt Service		-		1,999		400
	\$	1,524	\$	2,399	\$	480

THIRD CREEK METROPOLITAN DISTRICT NO. 2 GENERAL FUND 2024 BUDGET

	CTUAL 2022		MATED 023	В	UDGET 2024
BEGINNING FUND BALANCES	\$ -	\$	(8,791)	\$	-
Property taxes Specific ownership taxes Interest income Developer advance Total revenues	1,524 103 - 30,737 32,364		400 28 - 138,363 138,791		80 6 - 105,000 105,086
Total funds available	 32,364	•	130,000		105,086
EXPENDITURES General and administrative Accounting County Treasurer's fee Dues and membership Insurance District management Legal Miscellaneous Election Contingency Transfer to TCMD1	9,615 15 - 5,605 24,201 62 45 - 1,612		32,000 6 - 2,924 20,000 55,000 2,564 1,776 - 15,730		30,000 1 400 3,300 20,000 46,000 600 - 4,699
Total expenditures	41,155		130,000		105,000
Total expenditures and transfers out requiring appropriation	41,155	,	130,000		105,000
ENDING FUND BALANCES	\$ (8,791)	\$	-	\$	86

THIRD CREEK METROPOLITAN DISTRICT NO. 2 DEBT SERVICE FUND 2024 BUDGET

	CTUAL 2022	TIMATED 2023	BUDGET 2024	
BEGINNING FUND BALANCES	\$ -	\$ -	\$	-
REVENUES				
Property taxes	-	1,999	40	0
Specific ownership taxes	-	140	2	8
Interest income	-	5	:	5
Total revenues	-	2,144	43	3
Total funds available	 -	2,144	43	3
EXPENDITURES General and administrative				
County Treasurer's fee	_	30		6
Transfer to TCMD1	-	2,114	42	7
Total expenditures	-	2,144	43	3
Total expenditures and transfers out				
requiring appropriation	-	2,144	43	3
ENDING FUND BALANCES	\$ -	\$ -	\$	_

THIRD CREEK METROPOLITAN DISTRICT NO. 2 CAPITAL PROJECTS FUND 2024 BUDGET

	A	ACTUAL 2022		TIMATED 2023	BUDGET 2024	
BEGINNING FUND BALANCES	\$	-	\$	-	\$	-
REVENUES Developer advance Transfers from other districts		- -		71,560 -	25,271,5	- 87
Total revenues		-		71,560	25,271,5	87
Total funds available		-		71,560	25,271,5	87
EXPENDITURES Capital Projects						
Capital outlay		-		71,560	25,271,5	87
Total expenditures		-		71,560	25,271,5	87
Total expenditures and transfers out requiring appropriation				71,560	25,271,5	87
ENDING FUND BALANCES	\$	_	\$	-	\$	

THIRD CREEK METROPOLITAN DISTRICT NO. 2 2024 BUDGET SUMMARY OF SIGNIFICANT ASSUMPTIONS

SERVICES PROVIDED

Third Creek Metropolitan District No. 2 (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court of Adams County on November 20, 2020 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by Commerce City.

The District was established to provide financing for the design, acquisition, and construction and completion of public improvements, including water, sanitation, streets, park and recreation improvements, mosquito control, public transportation, television relay and translation, safety protection improvements and services.

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 believe 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 page of the budget using the adopted mill levy imposed by the District.

THIRD CREEK METROPOLITAN DISTRICT NO. 2 2024 BUDGET SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (Continued)

Property Taxes (Continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		Oil & Gas Production	87.50%		

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.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Transfer from Third Creek Metropolitan District No 1

The District anticipates receipt of District No 1 Funds from the Series 2022A Bonds as required by the Agreement Re Construction of Offsite Public Improvements.

THIRD CREEK METROPOLITAN DISTRICT NO. 2 2024 BUDGET SUMMARY OF SIGNIFICANT ASSUMPTIONS

EXPENDITURES

County Treasurer's Fees

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

Transfer to Third Creek MD No. 1

Pursuant to a certain intergovernmental agreement, the District will transfer net tax revenues generated from its debt service mill levy to District No. 1 to pay for Series 2022A Bonds.

RESERVES

Emergency Reserve

The District has not provided for an emergency reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR, because operating expenditures are primarily funded from advances from the Developer.

Information is an integral part of the accompanying forecasted budget.

I, Jack Beckwitt, hereby certify that I am the duly appointed Secretary of the Third Creek Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Third Creek Metropolitan District No. 2 held on October 25, 2023.

Jonathan Beckwitt

Secretary

RESOLUTION NO. 2023-10-05

RESOLUTION TO SET MILL LEVIES

RESOLUTION OF THE THIRD CREEK METROPOLITAN DISTRICT NO. 2 LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE YEAR 2024, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2024 BUDGET YEAR

- A. The Board of Directors of the Third Creek Metropolitan District No. 2 (the "**District**") has adopted an annual budget in accordance with the Local Government Budget Law, on October 18, 2023.
- B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.
- C. The amount of money necessary to balance the budget for general operating expenses from property tax revenue is identified in the budget.
- D. The amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Third Creek Metropolitan District No. 2, Adams County, Colorado, that:

- 1. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.
- 2. That for the purpose of meeting all debt retirement expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.
- 3. That for the purpose of meeting all contractual obligation expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.
- 4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District's Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

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[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on OCTOBER 25, 2023.

THIRD CREEK METROPOLITAN DISTRICT NO. 2

		By: Kent Red
		President
Attest:		
By:	Jonathan Beckwitt	
	retary	

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners ¹ of		, Colorado.
On behalf of the		,
On behalf of the	(taxing entity) ^A	
the	(governing body) ^B	
of the		
assessed valuation of: 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: (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 USE V	(local government) C SSD assessed valuation, Line 2 of the Certifical ALUE FROM FINAL CERTIFICATION BY ASSESSOR NO LATER THAT for budget/fiscal year	tion of Valuation Form DLG 57 ^E) Top Valuation Form DLG 57) OF VALUATION PROVIDED N DECEMBER 10
(Initiada yyyy)		
PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	mills	\$
2. <minus></minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	<u>\$< ></u>
SUBTOTAL FOR GENERAL OPERATING:	mills	\$
3. General Obligation Bonds and Interest ^J	mills	\$
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] mills	\$
Contact person: Signed: Vigi Pangindian	Phone: (303)779-5710 Title: Accountant for	
Survey Question: Does the taxing entity have voter approperating levy to account for changes to assessment rate. Include one copy of this tax entity's completed form when filing the local. Division of Local Government (DLG), Room 521, 1313 Sherman Street.	tes? government's budget by January 31st, p	

Page 1 of 4 DLG 70 (Rev.9/23)

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 <u>three</u> decimal places and revenue must be calculated from the total <u>NET assessed valuation</u> (Line 4 of Form DLG57 on the County Assessor's <u>FINAL</u> 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:

BON	DS ^J :	
1.	Purpose of Issue:	 <u>-</u> .
	Series:	_
	Date of Issue:	_
	Coupon Rate:	_
	Maturity Date:	_
	Levy:	_
	Revenue:	_
2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	
CON	TRACTS ^k :	
3.	Purpose of Contract: Title:	_
	Date:	_
	Principal Amount:	 _
	Maturity Date:	_
	Levy:	_
	Revenue:	_
	Revenue.	_
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.

Page 2 of 4 DLG 70 (Rev.9/23)

I, Jack Beckwitt, hereby certify that I am the duly appointed Secretary of the Third Creek Metropolitan District No. 2, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024 duly adopted at a meeting of the Board of Directors of the Third Creek Metropolitan District No. 2 held on October 25, 2023.

Jonathan Beckwitt

Secretary

Colorado Community Media 750 W. Hampden Ave. Suite 225 Englewood, CO 80110

Third Creek MD 1-3 (CLA) **
c/o Clifton Larson Allen, LLP
8390 E Crescent Pkwy, Suite 300
Greenwood Village CO 80111

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Adams } ss

This Affidavit of Publication for the Commerce City Sentinel Express, a weekly newspaper, printed and published for the County of Adams, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 10/12/2023, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.

For the Commerce City Sentinel Express

Linea (Slays)

State of Colorado }
County of Adams } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 10/12/2023. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-559110

Carla Bethke Notary Public My commission ends April 11, 2026

CARLA BETHKE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20004025550
MY COMMISSION EXPIRES APRIL 11, 2028

Public Notice

NOTICE AS TO PROPOSED 2024 BUDGET AND AMENDMENT OF 2023 BUDGET

THIRD CREEK METROPOLITAN DISTRICT NO. 2 ADAMS COUNTY, COLORADO

NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-108 and 109, C.R.S., that a proposed budget has been submitted to the Board of Directors of the Third Creek Metropolitan District No. 2 (the "District") for the ensuing year of 2024. The necessity may also arise for the amendment of the 2023 budget of the District. Copies of the proposed 2024 budget and 2023 amended budget (if appropriate) are on file in the office of the District. Accountant, CliffonLarsonAllen, LLP 8390 Crescent Parkway, Suite 300, Greenwood Village, CO 80/11 where same are available for public inspection. Such proposed 2024 budget and 2023 amended budget will be considered at a regular meeting to be held on October 18, 2023 at 11:00 a.m., via video-teleconference at https://teams.microsoft.com/l/meetup-join/19%3 ameeting_TYwNTI2VEYI/EN/VOOZTJILWIYZ DUIZWU4ODAyZWRIYmNm%40thread.v2/0?context=%75%22Tid%22%33ade0%2224aaa468e-93b-4ee-3-ab9-6a247asade0%222426x2620d0%2 2%3a%225b9f6fa2-e9dd-42cc-bfd8-f7dd2ed19 8a6%22%7d or call 720-547-5281 and enter conference ID 249 774 239#. Any interested elector within the District may, at any time prior to the finel adoption of the 2024 budget and the 2023 amended budget, inspect the 2024 budget and the 2023 amended budget and file or register any objections thereto.

THIRD CREEK METROPOLITAN DISTRICT NO. 2

McGEADY BECHER P.C. Attorneys for the District

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