

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY
INFORMATION

YEAR ENDED DECEMBER 31, 2024

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024

INDEPENDENT AUDITOR’S REPORT	I
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT NET POSITION OF GOVERNMENTAL ACTIVITIES	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	5
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	6
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	7
SPECIAL REVENUE FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	8
NOTES TO BASIC FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	24
CAPITAL PROJECTS FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	25
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	27
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	28



3615 Delgany St.
Suite 500
Denver, CO 80216

303.988.1900
wipfli.com

Board of Directors
Littleton Village Metropolitan District No. 2
Arapahoe County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Littleton Village Metropolitan District No. 2 (the “District”), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Littleton Village Metropolitan District No. 2 as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund and special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in our report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Wipfli LLP

Wipfli LLP
Denver, Colorado

September 26, 2025

BASIC FINANCIAL STATEMENTS

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
Assets	
Cash and investments	\$ 543,555
Cash and investments - restricted	130,594
Accounts receivable	51,493
Domestic water fee receivable	27,546
Receivable county treasurer	6,304
Due from other districts	11,637
PIF receivable	11,299
Prepaid expenses	14,274
Property tax receivable	1,043,281
Capital assets, net	2,279,073
Total Assets	4,119,056
 Deferred Outflows of Resources	
Deferred amounts on refunding	299,757
Total Deferred Outflows of Resources	299,757
 Liabilities	
Accounts payable	34,065
Accrued interest on bonds payable	71,176
Noncurrent liabilities:	
Due within one year	175,000
Due in more than one year	18,303,912
Total Liabilities	18,584,153
 Deferred Inflows of Resources	
Deferred property tax revenue	1,043,281
Total Deferred Inflows of Resources	1,043,281
 Net Position	
Restricted:	
Emergency reserves	31,000
Unrestricted	(15,239,621)
Total Net Position	\$ (15,208,621)

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Function/Program	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position Governmental Activities
Governmental activities:					
General Government	\$ 1,272,392	\$ 733,358	\$ -	\$ -	\$ (539,034)
Intergovernmental	-	-	199,803	-	199,803
Interest and Related Costs on Long-Term Debt	840,238	-	-	-	(840,238)
Total Governmental Activities	\$ 2,112,630	\$ 733,358	\$ 199,803	\$ -	\$ (1,179,469)
General Revenues:					
Property Taxes					\$ 953,757
Specific Ownership Taxes					56,173
Public Improvement Fees					56,800
Net Investment Income					56,442
Other Revenues					9,144
Total General Revenues					1,132,316
Change in Net Position					(47,153)
Net Position, Beginning of Year					(15,161,468)
Net position, End of Year					\$ (15,208,621)

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets					
Cash and investments	\$ 99,997	\$ 443,558	\$ -	-	\$ 543,555
Cash and investments - restricted	7,800	23,200	57,090	42,504	130,594
Accounts receivable	-	51,493	-	-	51,493
Receivable county treasurer	1,584	-	4,720	-	6,304
Due from other districts	-	9,826	1,811	-	11,637
PIF receivable	-	-	-	11,299	11,299
Prepaid expenses	1,238	13,036	-	-	14,274
Domestic water fee receivable	-	27,546	-	-	27,546
Property tax receivable	240,296	-	802,985	-	1,043,281
Total assets	<u>350,915</u>	<u>568,659</u>	<u>866,606</u>	<u>53,803</u>	<u>1,839,983</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	11,690	16,360	375	5,640	34,065
Total liabilities	<u>11,690</u>	<u>16,360</u>	<u>375</u>	<u>5,640</u>	<u>34,065</u>
Deferred inflows of resources					
Deferred property tax revenue	240,296	-	802,985	-	1,043,281
Total deferred inflows of resources	<u>240,296</u>	<u>-</u>	<u>802,985</u>	<u>-</u>	<u>1,043,281</u>
Fund Balances					
Nonspendable:					
Prepays	1,238	13,036	-	-	14,274
Restricted:					
Emergency reserves	7,800	23,200	-	-	31,000
Debt service	-	-	63,246	-	63,246
Capital projects	-	-	-	48,163	48,163
Committed:					
Operations	-	516,063	-	-	516,063
Unassigned:					
General government	89,891	-	-	-	89,891
Total fund balances	<u>98,929</u>	<u>552,299</u>	<u>63,246</u>	<u>48,163</u>	<u>762,637</u>
Total liabilities and fund balances	<u>\$ 350,915</u>	<u>\$ 568,659</u>	<u>\$ 866,606</u>	<u>\$ 53,803</u>	<u>\$ 1,839,983</u>

See the accompanying notes to the basic financial statements.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024**

Total Governmental Fund Balances:	\$	762,637
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.</p>		
Deferred Amounts on Refunding - Series 2023		299,757
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets are capitalized and expensed over their estimated useful lives through depreciation expense.</p>		
Capital Assets, Net		2,279,073
<p>Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not recorded as liabilities in the governmental funds..</p>		
Bonds Payable - Series 2023		(18,350,000)
Bond Premium - Series 2023, Net		(128,912)
Accrued Interest on Bonds Payable - Series 2023		(71,176)
		(203,238)
Total Net Position of Governmental Activities		\$ (15,208,621)

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues:					
Property taxes	\$ 239,637	\$ -	\$ 714,120	\$ -	\$ 953,757
Specific ownership taxes	14,114	-	42,059	-	56,173
Net investment income	100	37,732	17,786	824	56,442
Maintenance fees	-	646,677	-	-	646,677
Domestic water fees	-	82,548	-	-	82,548
Administrative fees	-	4,133	-	-	4,133
Other revenues	3,323	390	5,431	-	9,144
Public improvement fees	-	-	-	56,800	56,800
Transfers from District No. 3	-	-	199,803	-	199,803
Total revenues	257,174	771,480	979,199	57,624	2,065,477
Expenditures:					
General and administrative:					
Accounting and auditing	58,206	-	-	-	58,206
Bank fees	275	-	-	-	275
County treasurer's fees	3,628	-	10,794	-	14,422
District management	74,093	-	-	-	74,093
District No. 1 expenditures	690	-	-	-	690
Dues and licenses	1,170	-	-	-	1,170
Election expense	-	-	-	-	-
Legal	55,603	-	-	-	55,603
Miscellaneous	8,633	-	-	-	8,633
Social committee and events	23,734	-	-	-	23,734
Operations:					
Billing services	-	9,151	-	-	9,151
Domestic water	-	82,546	-	-	82,546
Electricity and utility inspections	-	902	-	-	902
Insurance and bonds	-	13,254	-	-	13,254
Irrigation repairs	-	32,358	-	-	32,358
Irrigation water	-	61,208	-	-	61,208
Landscape maintenance	-	89,249	-	-	89,249
Landscape repairs	-	7,855	-	-	7,855
Landscape projects	-	16,455	-	-	16,455
Pet waste removal	-	8,690	-	-	8,690
Property management	-	25,030	-	-	25,030
Snow removal	-	76,536	-	-	76,536
Trash	-	36,920	-	-	36,920
Debt service:					
Paying agent fees	-	-	1,687	-	1,687
Bond interest - Series 2023	-	-	830,475	-	830,475
Bond principal - Series 2023	-	-	100,000	-	100,000
Capital:					
Landscape and irrigation improvements	-	-	-	142,137	142,137
PIF collection fees	-	-	-	3,941	3,941
Total expenditures	226,032	460,154	942,956	146,078	1,775,220
Excess of Revenues Over (Under)					
Expenditures	31,142	311,326	36,243	(88,454)	290,257
Other Financing Sources (Uses):					
Transfers from other funds	-	-	-	136,617	136,617
Transfers to other funds	-	(136,617)	-	-	(136,617)
Developer settlement payment	(250,000)	-	-	-	(250,000)
Net other financing sources (uses)	(250,000)	(136,617)	-	136,617	(250,000)
Net change in fund balances	(218,858)	174,709	36,243	48,163	40,257
Fund Balances, Beginning of Year	317,787	377,590	27,003	-	722,380
Fund Balances, End of Year	\$ 98,929	\$ 552,299	\$ 63,246	\$ 48,163	\$ 762,637

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Governmental Funds	\$ 40,257
--	-----------

Governmental funds report capital outlay as expenditures. In the Statement of Activities the costs of those assets are allocated over the estimated useful lives of the assets and reported as depreciation expense. Therefore, this is the amount of capital outlay and depreciation for current period.

Capital Outlay	8,290
Depreciation	(185,937)

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Bond Principal - Series 2023	100,000
Deferred Amounts on Refunding Amortization - Series 2023	(14,274)
Bond Premium Amortization - Series 2023	6,481

Certain expenditures in the Statement of Activities differs from the amount reported in governmental funds because some do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued Interest on Bonds Payable - Change in Liability	(1,970)
---	---------

Change in Net Position of Governmental Activities	\$ (47,153)
---	-------------

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
BUDGETARY BASIS

	<u>BUDGETED AMOUNTS</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
Revenues				
Property taxes	\$ 239,716	\$ 239,716	\$ 239,637	\$ (79)
Specific ownership taxes	15,100	15,100	14,114	(986)
Net investment income	75	75	100	25
Other revenues	-	-	3,323	3,323
Total revenues	<u>254,891</u>	<u>254,891</u>	<u>257,174</u>	<u>2,282</u>
Expenditures				
General and administrative:				
Accounting and auditing	64,000	66,000	58,206	7,794
Bank fees	-	-	275	(275)
Contingency	20,000	35,300	-	35,300
County treasurer's fees	3,700	3,700	3,628	72
District management	45,000	75,000	74,093	907
District No. 1 expenditures	-	-	690	(690)
Dues and licenses	1,000	1,000	1,170	(170)
Legal	51,500	51,500	55,603	(4,103)
Miscellaneous	2,500	2,500	8,633	(6,133)
Social committee and events	15,000	15,000	23,734	(8,734)
Total expenditures	<u>202,700</u>	<u>250,000</u>	<u>226,032</u>	<u>23,968</u>
Excess of Revenues Over (Under)				
Expenditures	<u>52,191</u>	<u>4,891</u>	<u>31,142</u>	<u>26,250</u>
Other Financing Sources (Uses):				
Transfers to other funds	(270,000)	-	-	-
Repayment of developer advances	-	(250,000)	(250,000)	-
Net other financing sources (uses)	<u>(270,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(217,809)</u>	<u>(245,109)</u>	<u>(218,858)</u>	<u>26,250</u>
Fund Balance, Beginning of Year	<u>316,366</u>	<u>316,366</u>	<u>317,787</u>	<u>1,421</u>
Fund Balance, End of Year	<u>\$ 98,557</u>	<u>\$ 71,257</u>	<u>\$ 98,929</u>	<u>\$ 27,671</u>

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
BUGETARY BASIS

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Maintenance fees	\$ 639,500	\$ 646,677	\$ 7,177
Domestic water fees	55,000	82,548	27,548
Administrative fees	4,140	4,133	(7)
Net investment income	35,000	37,732	2,732
Other revenues	1,000	390	(610)
Total Revenues	734,640	771,480	36,840
Expenditures			
General and administrative			
Billing services	24,000	9,151	14,849
Contingency	5,000	-	5,000
Domestic water	55,000	82,546	(27,546)
Electricity and utility inspections	2,500	902	1,598
Insurance and bonds	15,000	13,254	1,746
Irrigation repairs	25,000	32,358	(7,358)
Irrigation water	70,000	61,208	8,792
Landscape maintenance	85,000	89,249	(4,249)
Landscape repairs	50,000	7,855	42,145
Landscape projects	17,000	16,455	545
Pet waste removal	15,000	8,690	6,310
Property management	35,000	25,030	9,970
Repairs and maintenance	5,000	-	5,000
Snow removal	100,000	76,536	23,464
Trash	45,000	36,920	8,080
Total Expenditures	548,500	460,154	88,346
Excess of Revenues Over (Under)			
Expenditures	186,140	311,326	125,186
Other Financing Sources (Uses):			
Transfers to other funds	(168,000)	(136,617)	31,383
Net other financing sources (uses)	(168,000)	(136,617)	31,383
Net Change in Fund Balance	18,140	174,709	156,569
Fund Balance, Beginning of Year	382,787	377,590	(5,197)
Fund Balance, End of Year	\$ 400,927	\$ 552,299	\$ 151,372

See the accompanying notes to the basic financial statements.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

Littleton Village Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, which was organized by order and decree of the District Court for Court for Arapahoe County on February 18, 2014. The District, along with Littleton Village Metropolitan District No. 3 operate as Financing Districts together with Littleton Village Metropolitan District No. 1, which serves as the Coordinating District in a triple district structure (collectively, all three districts are referred to as the Districts). The District and District No. 3 provide for the funding of infrastructure improvements being administered by District No. 1. The Districts undertake their functions pursuant to an Amended and Restated Consolidated Service Plan (the Service Plan) dated September 3, 2013. The service area of the Districts is located entirely within the City of Littleton, Arapahoe County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including water, sanitation, streets, safety protection, storm drainage, covenant enforcement and design review services, and parks and recreation facilities.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity. On November 24, 2020, the Districts entered into intergovernmental agreements for the separation (see Note 7 – Agreements).

The District has no employees, and all operations and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major source of revenue susceptible to accrual is operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with the direct and indirect costs of facilities and maintenance.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its general fund budget for the year ended December 31, 2024 to increase expenditures relating to the repayment of a developer advance to WIP Littleton Village LLC, as well as other operating expenses.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank or investment account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Capital Assets

Capital assets, which include infrastructure assets and construction in progress on a playground improvement, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Parks:	20 Years
Drainage Tract:	20 Years

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 1st of each year. The levy is normally set by December 15th 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 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Amortization

Bond Premiums and Discounts

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows (Outflows) of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. One item that qualifies for reporting in this category is the deferred charges on refunding related to the Series 2023 refunding, is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Fund Balance (Continued)

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$	543,555
Cash and Investments - Restricted		130,594
Total Cash and Investments	<u>\$</u>	<u>674,149</u>

Cash and investments as of December 31, 2024, consist of the following:

Deposits with Financial Institutions	\$	39,622
Investments		634,527
Total Cash and Investments	<u>\$</u>	<u>674,149</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024, the District’s cash deposits had a bank and carrying balance of \$39,622.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2024, the District had the following investments:

Investment	Maturity	Balance
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 634,527
Total		\$ 634,527

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAsf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	Balance			Balance
	<u>12/31/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2024</u>
Capital assets, not being depreciated				
Construction in progress - playground	\$ -	\$ 8,290	\$ -	\$ 8,290
Total capital assets, not being depreciated	-	8,290	-	8,290
Capital assets, being depreciated				
Central Park	2,270,546	-	-	2,270,546
Boulevard Park	511,964	-	-	511,964
North Drainage Tract/Open Space	936,246	-	-	936,246
Total capital assets, being depreciated	3,718,756	-	-	3,718,756
Accumulated Depreciation:				
Central Park	(767,234)	(113,526)	-	(880,760)
Boulevard Park	(174,919)	(25,598)	-	(200,517)
North Drainage Tract/Open Space	(319,883)	(46,813)	-	(366,696)
Total Accumulated Depreciation	(1,262,036)	(185,937)	-	(1,447,973)
Capital Assets, Being Depreciated, Net	2,456,720	(185,937)	-	2,270,783
Capital Assets, Net	\$ 2,456,720	\$ (177,647)	\$ -	\$ 2,279,073

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities: \$ 185,937

As a result of the Termination of the District's Administrative Services Agreement, effective January 1, 2021 (as discussed in Note 7), District No. 1 has transferred all of its capital assets to the District and District No. 3 according to their boundaries.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2024:

Bonds Payable:	Balance			Balance	
	December 31, 2023	Additions	Retirements	December 31, 2024	Due Within One Year
Limited Tax G.O. Refunding Bonds, Series 2023	\$ 18,450,000	\$ -	\$ (100,000)	\$ 18,350,000	\$ 175,000
Bond Premium, Series 2023	135,393	-	(6,481)	128,912	-
Total Bonds Payable	<u>\$ 18,585,393</u>	<u>\$ -</u>	<u>\$ (106,481)</u>	<u>\$ 18,478,912</u>	<u>\$ 175,000</u>

The detail of the District's long-term obligation is as follows:

Limited Tax General Obligation Refunding Bonds, Series 2023

On December 13, 2023, the District issued Limited Tax General Obligation Refunding Bonds, Series 2023, in the principal amount of \$18,450,000 (Series 2023 Bonds). The proceeds from the sale of the Series 2023 Bonds were used for the purposes of (i) refunding the District's outstanding Series 2014A Bonds, Series 2014B Bonds, Series 2015 Bonds, and Series 2018B Bonds and (ii) paying the costs of issuing the Series 2023 Refunding Bonds.

The Series 2023 Bonds are secured and payable from the Pledged Revenue, consisting of monies derived by the District from the following sources, net of collection costs: 1) property tax revenues, 2) specific ownership tax revenues, 3) all PILOT revenues, if any, and 4) any other legally available monies which the District determines to deposit with Trustee for application as pledged revenue. Pledged revenue for the repayment on the Series 2023 Bonds also includes revenues resulting from District No. 3's imposition of the District No. 3 Required Mill Levy. The Series 2023 Bonds are also secured by a Bond Reserve Insurance Policy through Assured Guaranty Municipal Corp. which guarantees the payment of interest and principal in the event the District does not have enough pledged revenues on deposit with the Trustee.

The Series 2023 Bonds are designated as serial and term bonds, of which, \$2,665,000 bear interest at 5.000% and mature annually commencing December 1, 2024 through December 1, 2033. Series 2023 Bonds totaling \$2,385,000 bear interest at 4.000% and are subject to mandatory sinking fund redemptions commencing December 1, 2034 through maturity on December 1, 2038. Series 2023 Bonds totaling \$3,215,000 bear interest at 4.375% and are subject to mandatory sinking fund redemptions commencing December 1, 2039 through maturity on December 1, 2043. Series 2023 Bonds totaling \$5,185,000 bear interest at 4.625% and are subject to mandatory sinking fund redemptions commencing December 1, 2044, through maturity on December 1, 2053. Series 2023 Bonds totaling \$5,000,000 bear interest at 5.000% and are subject to mandatory sinking fund redemptions commencing December 1, 2044 through maturity on December 1, 2053.

Interest is payable semi-annually on June 1st and December 1st, beginning on June 1, 2024. The Bonds maturing on or after December 1, 2038, are subject to redemption prior to maturity, at the option of the District, on December 1, 2033 and on any date thereafter, upon payment of par plus accrued interest, with no redemption premium.

Unused Lines of Credit

The Series 2023 Bonds do not have any unused lines of credit.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Refunding Bonds, Series 2023 (Continued)

Collateral

No assets have been pledged as collateral on the Series 2023 Bonds.

Events of Default

Events of default occur if the District, or District No. 3, fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture

Termination Events

The Series 2023 Bonds are not subject to early termination.

Acceleration

The Series 2023 Bonds are not subject to acceleration.

The Series 2023 Refunding Bonds principal and interest will mature as follows:

Year Ending December 31 st :	Principal	Interest	Total
2025	\$ 175,000	\$ 854,113	\$ 1,029,113
2026	220,000	845,363	1,065,363
2027	235,000	834,363	1,069,363
2028	265,000	822,613	1,087,613
2029	280,000	809,363	1,089,363
2030-2034	1,815,000	3,809,563	5,624,563
2035-2039	2,520,000	3,354,713	5,874,713
2040-2044	3,425,000	2,747,844	6,172,844
2045-2049	4,610,000	1,847,300	6,457,300
2050-2053	4,805,000	593,790	5,398,790
	\$ 18,350,000	\$ 16,519,025	\$ 34,869,025

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 5, 2013, the District’s voters authorized total indebtedness of \$520,000,000 for construction of public improvements and operating and maintenance expenditures and debt refunding. At December 31, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized November 5, 2013	Authorization Used Series 2014A	Authorization Used Series 2014B	Authorization Used Series 2015	Authorization Used Series 2018	Authorization Used Series 2023	Authorized But Unissued
Streets	\$ 40,000,000	\$ 10,091,601	\$ 1,318,760	\$ -	\$ -	\$ -	\$ 28,589,639
Water	40,000,000	1,609,323	429,380	-	-	-	37,961,297
Sanitation	40,000,000	464,076	636,837	-	-	-	38,899,087
Parks and Recreation	40,000,000	-	-	-	-	-	40,000,000
Public Transportation	40,000,000	-	-	-	-	-	40,000,000
Television Relay	40,000,000	-	-	-	-	-	40,000,000
Mosquito Control	40,000,000	-	-	-	-	-	40,000,000
Security Services	40,000,000	-	-	-	-	-	40,000,000
Traffic and Safety	40,000,000	-	-	-	-	-	40,000,000
Fire Protection	40,000,000	-	-	-	-	-	40,000,000
Operations and Maintenance	40,000,000	-	-	-	-	-	40,000,000
Refundings	40,000,000	-	-	-	5,700,000	18,450,000	15,850,000
Intergovernmental Agreements	40,000,000	-	-	10,830,000	-	-	29,170,000
Total	\$ 520,000,000	\$ 12,165,000	\$ 2,384,977	\$ 10,830,000	\$ 5,700,000	\$ 18,450,000	\$ 470,470,023

Pursuant to the Service Plan, the District, jointly with Districts No. 1 and 3, are permitted to issue bond indebtedness of up to \$40,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District’s service area.

NOTE 6 NET POSITION

The District has a net position consisting of two components – restricted and unrestricted.

The restricted component of net position includes assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position at December 31, 2024, as follows:

Restricted Net Position:

Emergency Reserves	<u>\$ 31,000</u>
Total Restricted Net Position	<u>\$ 31,000</u>

The unrestricted component of net position is the net amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investments in capital assets or the restricted component of net position. The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, a portion of which have been conveyed to other governmental entities.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 AGREEMENTS

Amended and Restated Funding and Reimbursement Agreement (Operations and Maintenance)

District No. 1 entered into a Funding and Reimbursement Agreement (Capital and Operations Maintenance) with the Developer dated as of October 31, 2013 (the Prior Funding Agreement). Pursuant to the Prior Funding Agreement, the Developer agreed to loan up to \$750,000 to District No. 1 in one or in a series of installments through December 31, 2014, to be used for costs including capital needs as well as operations and maintenance requirements. District No. 1 was to determine from time to time (but not more often than monthly) the amount required to fund budgeted expenditures of District No. 1 and was to notify the Developer of the required amount at least ten (10) days prior to the beginning of each month, and the Developer was obligated to fund such required amounts by the beginning of the next month. Simple interest accrued on amounts advanced at the rate of 8% per annum calculated from the date of each advance. District No. 1 intended to reimburse the Developer for amounts advanced from bond proceeds, ad valorem taxes, fees or other legally available revenues, net of any debt service or current operations and maintenance costs. The term for repayment was 20 years from the date of the Prior Funding Agreement, unless otherwise agreed.

On December 4, 2015, the Prior Funding Agreement was amended, restated, and superseded by the Funding and Reimbursement Agreement (Operations and Maintenance) (the Amended and Restated Funding Agreement), pursuant to which the Developer has agreed to loan funds to District No. 1 in an amount up to \$100,000 per year for five years through December 31, 2020, which funds were to be loaned to District No. 1 solely for operations and maintenance costs. Funds advanced by the Developer to District No. 1 for operations and maintenance costs under the Prior Funding Agreement are to be reimbursed to the Developer pursuant to the terms of the Amended and Restated Funding Agreement. The District and Littleton Village Metropolitan District No. 3 both acknowledged the Amended and Restated Funding Agreement, stating that each were obligated to provide tax revenues from mill levies certified by each District and other available revenue sources to fund the obligation to reimburse the Developer for advances made to District No. 1 under the Amended and Restated Funding Agreement.

On August 26, 2024, the District entered into an agreement for the Full Satisfaction and Termination of the Amended and Restated Funding and Reimbursement Agreement (Operations and Maintenance) with the Developer, and in consideration thereof, made a one-time payment of \$250,000 for the release of the District, District No. 1 and District No. 3 of all claims relating to the Amended and Restated Funding Agreement and for termination of the Amended and Restated Funding Agreement.

Pursuant to the Construction Funding Loan Agreement (described below), the capital component of Developer advances in the amount of \$767,889 made under the Prior Funding Agreement were recorded as part of the principal amount of the 2014 Bonds issued by the District. Future funding obligations of the Developer under the Amended and Restated Funding Agreement were limited to operations and maintenance costs, with capital costs funding being handled through the Construction Funding Loan Agreement.

Construction Funding Loan Agreement

The District, together with District Nos. 1 and 3, entered into a Construction Funding Loan Agreement with the Developer dated as of June 6, 2014 (the Construction Funding Loan Agreement), whereby the Developer agreed to advance funds to District No. 1 for capital costs of public infrastructure being constructed by District No. 1. Additionally, the parties also agreed that any amounts funded for capital costs under the Prior Funding Agreement, prior to the date of the Construction Funding Loan Agreement, would be recognized as advances under the Construction Funding Loan Agreement and not the Prior Funding Agreement.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 AGREEMENTS (CONTINUED)

Construction Funding Loan Agreement (Continued)

The Construction Funding Loan Agreement was amended by a First Amendment on January 27, 2015, a Second Amendment on December 2, 2015, a Third Amendment on November 22, 2016, a Fourth Amendment on May 23, 2017, and a Fifth Amendment on August 14, 2018. Pursuant to the Construction Funding Loan Agreement, as amended, the Developer agreed to make advances in one or more installments in the maximum loan amount of \$17,000,000 through June 1, 2018. A Sixth Amendment was executed on July 17, 2019 to extend the loan obligation period beyond June 1, 2018 to acknowledge additional advances totaling \$112,517 received from the Developer.

On December 17, 2015, the District issued Limited Tax General Obligation and Special Revenue Bonds, Series 2015, in the amount of \$10,830,000 (of the \$12,165,000 issued for Series 2014A, \$7,402,533 was refunded using the proceeds from Series 2015). On September 6, 2018, the District issued Subordinate Limited Tax General Obligation and Special Revenue Bonds, Series 2018B, in the amount of \$5,700,000 to refund a portion of the Series 2014A and \$2,200,000 to the Series 2014B was forgiven by the Developer. On December 13, 2023, the District issued Limited Obligation Refunding Bonds, Series 2023 to refund the outstanding balances on the Series 2014A, Series 2014B, Series 2015 and Series 2018B Bonds.

Capital Pledge Agreement

On June 6, 2014, the District entered into a Capital Pledge Agreement with District No. 3, by which District No. 3 agreed to impose a mill levy against property within District No. 3, to be pledged to the payment of the District's 2014 Special Revenue Bonds. The mill levy (Required Mill Levy) for debt service is capped at 40 mills, subject to certain adjustments to account for changes in the calculation of assessed valuations as a matter of State law. The obligation to levy the Required Mill Levy continues until such time as the Series 2014 Special Revenue Bonds, including refunding bonds, and certain other obligations specified in the Capital Pledge Agreement have been fully paid.

Senior Capital Pledge Agreement

On December 1, 2015, the District and District No. 3 (collectively, the Financing Districts) entered into the Senior Capital Pledge Agreement with UMB Bank, N.A. (the Trustee). District No. 3 agreed to impose the Required Mill Levy against property within its boundaries, specific ownership tax revenues available from the imposition of such mill levy, and any available PILOT revenues. These revenues are pledged to the payment of the Series 2015 Senior Bonds and any refunding bonds.

The Senior Capital Pledge Agreement was amended by a First Amendment on September 1, 2018, for the purpose of correcting an omission of certain language pertaining to the permitted mill levy for Subordinate District No. 3 Obligations and modifying certain provisions that required that the 2014 Junior Lien Bonds to be paid in full prior to the application of any ad valorem property taxes of District No. 3 in order to facilitate the issuance of the Series 2018B Bonds.

Cost Sharing and Reciprocal Easement Agreement

Certain landscaping improvements within the District and District No. 3 are serviced by interconnected and shared irrigation systems. As such, the District and District No. 3 entered into that certain Cost Sharing and Reciprocal Easement Agreement, effective January 1, 2021 (the Cost Sharing Agreement), pursuant to which the District is responsible for the operation and maintenance of the landscaping and the irrigation system within both the District and District No. 3, with District No. 3 being obligated to reimburse District No. 2 for its share of the costs thereof, as more fully provided in the Cost Sharing Agreement.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7 AGREEMENTS (CONTINUED)

Agreement Regarding Maintenance Fees

The District is responsible for the ownership, operation, and maintenance of the public improvements within its boundaries. Included in those public improvements are a central park area, a dog park, and other landscaped areas. The District imposes an operations and maintenance fee upon the residential properties within the boundaries of the District to fund the same. Residential units within District No. 3 derive the same benefit from the operation and maintenance of such improvements as the residents in the District. As such, the District and District No. 3 entered into that certain Agreement Regarding Maintenance Fees, effective January 1, 2021, pursuant to which District No. 3 has agreed to impose an operation and maintenance fee upon the residential units within its boundaries in the same amount and in the same manner as the District imposes such a fee on similar residential units within its boundaries, and then to remit the revenue from such fee to District No. 2.

Allocation Agreement

The District and District No. 3 entered into that certain Allocation Agreement, dated July 28, 2020 (the Allocation Agreement) in anticipation of the issuance of bonds by District No. 3. There is currently in place that certain Declaration of Covenants Imposing and Implementing Public Improvement Fee, recorded in the real property records of Arapahoe County, Colorado on June 5, 2014, at Reception Number D404245 (the PIF Covenant), pursuant to which a public improvement fee is charged on certain retail sales made within the boundaries of the District, District No. 1, and District No. 3. The revenue from such public improvement fees (“PIF Revenue”) collected in accordance with the PIF Covenant is remitted to District No. 2. Prior to the issuance of the 2023 Refunding Bonds, PIF Revenue was pledged to debt service payments.

Pursuant to the Allocation Agreement, subject to certain conditions precedent to the issuance of bonds by District No. 3 and other conditions set forth therein, District No. 2 agreed to assign to District No. 3 certain excess revenue received by District No. 2 from the public improvement fee imposed under the PIF Covenant, which excess revenue can then be pledged to the District No. 3 bonds. The conditions precedent set forth in the Allocation Agreement were never met and the Allocation Agreement is void as a matter of law.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials’ liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials’ liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 5, 2013, the District voters passed an election question to increase property taxes \$5,000,000 annually as adjusted for inflation, without limitation of rate, to pay the District's operations, maintenance, and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
BUDGETARY BASIS**

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 714,353	\$ 714,120	\$ (233)
Specific ownership taxes	45,000	42,059	(2,941)
Net investment income	5,000	17,786	12,786
Transfers from District No. 3	190,977	199,803	8,826
Other revenues	-	5,431	5,431
Total revenues	<u>955,330</u>	<u>979,199</u>	<u>23,869</u>
Expenditures			
County treasurer's fees	11,000	10,794	206
Contingency	5,000	-	5,000
Paying agent fees	15,000	1,687	13,313
Bond interest - Series 2023	830,475	830,475	-
Bond principal - Series 2023	100,000	100,000	-
Total expenditures	<u>961,475</u>	<u>942,956</u>	<u>18,519</u>
Net Change in Fund Balance	<u>(6,145)</u>	<u>36,243</u>	<u>42,388</u>
Fund Balance, Beginning of Year	<u>366,977</u>	<u>27,003</u>	<u>(339,974)</u>
Fund Balance, End of Year	<u>\$ 360,832</u>	<u>\$ 63,246</u>	<u>\$ (297,586)</u>

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
BUDGETARY BASIS

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Public improvement fees	\$ 42,500	\$ 56,800	\$ 14,300
Net investment income	-	824	824
Total revenues	<u>42,500</u>	<u>57,624</u>	<u>15,124</u>
Expenditures			
Landscape and irrigation improvements	188,000	142,137	45,863
PIF collection fees	7,500	3,941	3,559
Total expenditures	<u>195,500</u>	<u>146,078</u>	<u>49,422</u>
Excess of Revenues Over (Under)			
Expenditures	<u>(153,000)</u>	<u>(88,454)</u>	<u>64,546</u>
Other Financing Sources (Uses):			
Transfers from other funds	438,000	136,617	(301,383)
Net other financing sources (uses)	<u>438,000</u>	<u>136,617</u>	<u>(301,383)</u>
Net Change in Fund Balance	<u>285,000</u>	<u>48,163</u>	<u>(236,837)</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 285,000</u>	<u>\$ 48,163</u>	<u>\$ (236,837)</u>

OTHER INFORMATION

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024

\$18,450,000

Limited Tax General Obligation Refunding Bonds

Series 2023, Dated December 13, 2023

Interest Rates: 4.00% - 5.00%

Payable June 1st and December 1st

Principal Due December 1st

Year Ending December 31st,	Principal	Interest	Total
2025	\$ 175,000	\$ 854,113	\$ 1,029,113
2026	220,000	845,363	1,065,363
2027	235,000	834,363	1,069,363
2028	265,000	822,613	1,087,613
2029	280,000	809,363	1,089,363
2030	310,000	795,363	1,105,363
2031	330,000	779,863	1,109,863
2032	365,000	763,363	1,128,363
2033	385,000	745,113	1,130,113
2034	425,000	725,863	1,150,863
2035	440,000	708,863	1,148,863
2036	480,000	691,263	1,171,263
2037	500,000	672,063	1,172,063
2038	540,000	652,063	1,192,063
2039	560,000	630,463	1,190,463
2040	610,000	605,963	1,215,963
2041	635,000	579,275	1,214,275
2042	690,000	551,494	1,241,494
2043	720,000	521,306	1,241,306
2044	770,000	489,806	1,259,806
2045	810,000	452,788	1,262,788
2046	870,000	413,844	1,283,844
2047	915,000	372,013	1,287,013
2048	985,000	328,006	1,313,006
2049	1,030,000	280,650	1,310,650
2050	1,105,000	231,119	1,336,119
2051	1,160,000	177,969	1,337,969
2052	1,240,000	122,181	1,362,181
2053	1,300,000	62,525	1,362,525
Total	\$ 18,350,000	\$ 16,519,025	\$ 34,869,025

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND
PROPERTY TAXES COLLECTED
DECEMBER 31, 2024**

Year Ended December 31 st ,		Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2020	\$ 14,681,486	11.132	44.531	\$ 817,215	\$ 817,035	99.98%
2021	18,856,833	11.132	44.531	1,049,628	1,049,636	100.00%
2022	21,161,903	11.132	44.531	1,177,935	1,177,927	100.00%
2023	20,573,280	11.525	46.105	1,185,638	1,185,630	100.00%
2024	23,971,573	10.000	29.800	954,069	953,757	99.97%
Estimated for the Year Ending December 31, 2025	<u>\$ 23,969,705</u>	<u>10.025</u>	<u>33.500</u>	<u>\$ 1,043,281</u>		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.