LETTER OF BUDGET TRANSMITTAL

Date: January <u>26</u>, 2024

To: Division of Local Government

1313 Sherman Street, Room 521

Denver, Colorado 80203

Attached are the 2024 budget and budget message for ATEC METROPOLITAN DISTRICT No. 2, Adams County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 16, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP
Attn: Denise Denslow, District Manager
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710
Denise.denslow@claconnect.com

I, Denise Denslow, District Manager of the ATEC Metropolitan District No. 2 hereby certify that the attached is a true and correct copy of the 2024 budget.

Denise Denslow, District Manager

By Denise Denslow

RESOLUTION NO. 2023-11-02

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY RESOLUTION OF THE BOARD OF DIRECTORS OF ATEC 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 ATEC Metropolitan District No. 2 (the "**District**") has appointed 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 on or before October 15, 2023.
- 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 November 16, 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 ATEC 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.

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

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 16, 2023.

ATEC METROPOLITAN DISTRICT

Attest:

By: Penise Penslow

Secretary

EXHIBIT A

Budget

ATEC METROPOLITAN DISTRICT NO. 2 ANNUAL BUDGET FOR YEAR ENDING DECEMBER 31, 2024

ATEC METROPOLITAN DISTRICT NO. 2 GENERAL FUND 2024 BUDGET

WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

1/23/24

	ACTUAI 2022	L	ESTIMATED 2023		OGET 024
BEGINNING FUND BALANCES	\$	_	\$	-	\$ -
REVENUES					
Property taxes	1	109		1,497	29,225
Specific ownership taxes		17		105	2,046
ARI - Aurora Regional Improvement Tax		-		-	158
Interest income		-		5	-
Other revenue		•		48	500
Total revenues	1	126		1,655	31,929
Total funds available	1	126		1,655	31,929
EXPENDITURES					
General and administrative					
County Treasurer's fee		-		22	438
County Treasurer's fee - ARI		-		-	2
Contingency		-		-	500
Intergovenmental transfers - CAB	1	126		1,633	30,833
Intergovenmental transfers - ARTA		-		-	156
Total expenditures	1	126		1,655	31,929
ENDING FUND BALANCES	\$	-	\$		\$

ATEC METROPOLITAN DISTRICT NO. 2 PROPERTY TAX SUMMARY INFORMATION 2024 BUDGET

WITH 2022 ACTUAL AND 2023 ESTIMATED For the Years Ended and Ending December 31,

1/23/24

	Α	CTUAL	EST	IMATED	Е	BUDGET
		2022		2023		2024
ASSESSED VALUATION						
Agricultural		40		40		40
State assessed		-		630		-
Personal property		_		42,100		-
Vacant land		-		-		803,290
		40		42,770		803,330
Certified Assessed Value	\$	40	\$	42,770	\$	803,330
MILL LEVY						
General		35.000		35.000		36.380
ARI		0.000		0.000		0.197
Total mill levy		35.000		35.000		36.577
PROPERTY TAXES General ARI	\$	1 -	\$	1,497 -	\$	29,225 158
Levied property taxes Adjustments to actual/rounding		1 108		1,497 -		29,383
Budgeted property taxes	\$	109	\$	1,497	\$	29,383
BUDGETED PROPERTY TAXES General ARI	\$	109 - 109	\$	1,497 - 1,497	\$	29,225 158 29,383

Services Provided

ATEC Metropolitan District No. 2 (the "District"), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. Concurrently with the formation of the District, the City of Aurora (the "City") approved the formation of ATEC Metropolitan District No. 1 (the "ATEC Districts"). The District was organized on November 19, 2019. The District was established to provide public streets, traffic and safety, water, sanitary and storm sewer, park and recreation, public transportation, communications systems, fire protection, security improvements, television relay and translation, and mosquito control facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District.

On November 5, 2019, the District's voters authorized total general obligation indebtedness of \$56,000,000,000 for the above listed facilities and powers but, the District's Service Plan limits the total indebtedness to \$4,000,000,000, with a maximum debt mill levy of 50.000 mills, subject to changes in the method of calculating residential assessed valuation. The maximum debt service mill levy shall not apply to the District's ability to increase its mill levy necessary for the provision of operations and maintenance services. The Service Plan also restricts the District's powers for fire protection, television relay and translation, and golf course construction unless the District enters into an agreement with the City allowing for these powers.

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 Section 29-1-105, C.R.S., using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The budgets are in accordance with the TABOR Amendment limitation. Emergency reserves required under TABOR have been provided.

AACMD, the City of Aurora and Adams County have established the Aerotropolis Regional Transportation Authority ("ARTA"), pursuant to an intergovernmental agreement entered into on February 27, 2018, under the authority of the Regional Transportation Authority Law, Section 43-4-601, *et seq.*, C.R.S., in order to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements. Beginning in 2019, ARTA will impose an ARTA Mill Levy on the District. The District will deposit revenues from the ARTA Mill Levy with AACMD to provide for financing of the regional improvements through ARTA. If the ARTA Mill Levy in any given year is less than 5 mills, the District will impose an Aurora Regional Improvements ("ARI") Mill Levy and will deposit the ARI Mill Levy revenues with ARTA to be spent only pursuant to a Regional Intergovernmental Improvements Agreement.

On November 21, 2019, the ATEC Districts, AACMD and The Aurora Highlands Metropolitan District Nos. 1-3 (collectively, the "CAB Districts") formed The Aurora Highlands Community Authority Board ("CAB") pursuant to intergovernmental agreement to govern the relationships

Services Provided (Continued)

between and among the CAB Districts with respect to the financing, construction, and operation of public improvements within their combined service area. On April 27, 2022, the CAB Districts approved the addition of The Aurora Highlands Metropolitan District Nos. 4-6 to the CAB. It is anticipated that one or more of the CAB Districts may enter into additional intergovernmental agreements concerning the financing, construction, and operations of public improvements benefiting the CAB Districts and their residents and owners.

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.

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				Single-Family	\$55,000
Residential	6.70%	Agricultural Land	26.40%	Residential	
Multi-Family		Renewable		Multi-Family	\$55,000
Residential	6.70%	Energy Land	26.40%	Residential	
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
		Personal		Industrial	\$30,000
Industrial	27.90%	Property	27.90%		
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.

Revenues (Continued)

Property Taxes ARI

ARTA imposes a mill levy of 5.000 mills for payment of the planning, design, acquisition, construction, installation, relocation and/or redevelopment and funding of regional transportation improvements as contemplated by ARTA (see "Services Provided" above). The District has agreed to levy an additional 0.115 mills due to a change in calculating the residential assessed valuation.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Administrative Expenditures

The District is a member of the CAB. The CAB will provide all of the operating and administrative expenditures, which include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, meeting expense, and other administrative expenditures.

Intergovernmental Transfers CAB

On June 30, 2020, the CAB and the CAB Districts entered into the Mill Levy Policy Agreement, which was amended on December 22, 2021. Pursuant to the Amended and Restated Mill Levy Allocation Policy Agreement, the District agrees to ensure that the mill levies determined by the CAB each year are imposed and transferred to the CAB in accordance with the Revenue Pledged Agreement (described below).

On December 22, 2021, the District entered into the Revenue Pledge Agreement (Pledged Agreement) with the CAB as a part of the 2021 Series A and 2021 Series B Bond issuances. Per the Pledge Agreement, the District agrees to pay such portion of their operations and financing costs as may be funded with the District's Pledged Revenue and Subordinate Pledged Revenue to the extent available to the Districts pursuant to the provisions of the Pledged Agreement and the Amended and Restated Mill Levy Allocation Policy Agreement.

Intergovernmental Transfer ARTA

Per the Intergovernmental Agreement Regarding Imposition, Collection and Transfer of ARI Mill Levy, AACMD requires that the District transfer all revenues derived from ARI Mill Levy to ARTA within sixty (60) days of the District's receipt.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since the District transfers nearly all of its TABOR eligible revenue to the CAB, the Emergency Reserve related to this revenue is accounted for in the CAB.

Debt and Leases

The District has no outstanding debt. Additionally, the District has no operating or capital leases.

This information is an integral part of the accompanying budget.

I, Denise Denslow, hereby certify that I am the duly appointed Secretary of the ATEC 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 ATEC Metropolitan District No. 2 held on November 16, 2023.

Docusigned by:

Dunise Dunslow

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Secretary

RESOLUTION NO. 2023-11-03

RESOLUTION TO SET MILL LEVIES

RESOLUTION OF ATEC METROPOLITAN DISTRICT NO. 2 LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE YEAR 2023, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2024 BUDGET YEAR

- A. The Board of Directors of ATEC Metropolitan District No. 2 (the "**District**") has adopted an annual budget in accordance with the Local Government Budget Law, on November 16, 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 fund 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 ATEC 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.

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 16, 2023.

ATEC METROPOLITAN DISTRICT NO. 2

Attest:

By: Densigned by:

Ourise Denslow

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Secretary

EXHIBIT 1

Certification of Tax Levies

DOLA LGID/SID 67209

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners ¹ of ADAMS CO	DUNTY	, Colorado.
On behalf of the ATEC METROPOLITAN DISTRICT	Γ NO. 2	
(t	axing entity) ^A	,
the BOARD OF DIRECTORS	governing body) ^B	
of the ATEC METROPOLITAN DISTRICT NO. 2		
Hereby officially certifies the following mills	ocal government) ^C	
to be levied against the taxing entity's GROSS \$ 803,330		
assessed valuation of: (GROSS ^D Note: If the assessor certified a NET assessed valuation	assessed valuation, Line 2 of the Certific	cation of Valuation Form DLG 57 ^E)
(AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area ^F the tax levies must be \$ 803,330		
calculated using the NET AV. The taxing entity's total (NET ^G as	sessed valuation, Line 4 of the Certifica	ation of Valuation Form DLG 57)
property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:	UE FROM FINAL CERTIFICATION BY ASSESSOR NO LATER THA	
Submitted: 12/15/23 for (no later than Dec. 15) (mm/dd/yyyy)	budget/fiscal year 2024	· (yyyy)
(amin day)))))		03337
PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	36.380 _{mills}	\$ 29,225
2. <minus></minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	<u>\$< ></u>
SUBTOTAL FOR GENERAL OPERATING:	36.380 mills	\$ 29,225
3. General Obligation Bonds and Interest ^J	mills	\$
4. Contractual Obligations ^K	0.197 _{mills}	\$ 158
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]	36.577 mills	\$ 29,383
Contact person: Jason Carroll	Phone: (303)779-571 Title: Accountant for	
Signed: Course Carroll	THE. Accountant to	1 District
Survey Question: Does the taxing entity have voter approx operating levy to account for changes to assessment rates.	?	□ Yes □ No
Include one copy of this tax entity's completed form when filing the local gov	ernment's hudget by January 31st 1	nor 20-1-113 C R S with the

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

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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 three decimal places and revenue must be calculated from the total *NET assessed valuation* (Line 4 of Form DLG57 on the County Assessor's **FINAL** 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	IDS ^J :		
1.	Purpose of Issue:		
	Series:		
	Date of Issue:		
	Coupon Rate:		
	Maturity Date:		
	Levy:		
	Revenue:		<u> </u>
2.	Purpose of Issue:		
	Series:		
	Date of Issue:		
	Coupon Rate:		
	Maturity Date:		
	Levy:		
	Revenue:		
~~~	TIPE A CITICAT		
	TRACTS ^k :		
3.	Purpose of Contract:	ARTA (GA)	
	Title:	IGA Regarding Imposition; Collection and Transfer of ARI Mill Levies	
	Date:	10/12/2021	
	Principal Amount:	N/A	
	Maturity Date:		
	Levy:	0.197	
	Revenue:	158	<u></u>
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, Denise Denslow, hereby certify that I am the duly appointed Secretary of ATEC Metropolitan District No. 2, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2023, duly adopted at a meeting of the Board of Directors of ATEC Metropolitan District No. 2 held on November 3, 2022.

Denise Denslow

77517AF0E925439...

Secretary

#### SENTINEL PROOF OF PUBLICATION

STATE OF COLORADO COUNTY OF ARAPAHOE ]ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said Counties of Arapahoe, Adams and Denver for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated November 2 A.D. 2023 and that the last publication of said notice was in the issue of said newspaper dated November 2 A.D. 2023.

I witness whereof I have hereunto set my hand this 2nd day of November A.D. 2023.

Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 2nd day of November A.D. 2023.

Notary Public

ISABELLA PERN AMELIA PERRY NOTARY PUBLIC STATE OF COLORADO NOTARY ID 2018403/582 V COMMISSIONE EUROSE DETOMO 1. 2021

NOTICE AS TO PROPOSED 2024 BUDGETS AND AMENDMENT OF 2023 BUDGETS ATEC METROPOLITAN DISTRICT NOS. 1 AND 2 ADAMS COUNTY, COLORADO

NOTICE IS HEREBY GIVEN, pursuant to Sections 29.1-108 and 109, C.R.S., that proposed budgets have been submitted to the Boards of Directors of ATEC Metropolitan District Nos. 1 and 2 (hereinafter referred to collectively as the "Districts") for the ensuing year of 2024. The necessity may also arise for the amendment of the 2023 budgets of the Districts. Copies of the proposed 2024 budgets and 2023 amended budgets (if appropriate) are on file in the office of the Districts Accountant, Clilfont arsonAllen LLP, 8390 E. Crescent Parkway, Suite 390, Greenwood Village, Colorado 80111, where same are available for public inspection. Such proposed 2024 budgets and 2023 amended budgets will be considered at special meetings to be held on November 16, 2023 at 1:00 p.m. via video and/or telephone conference (Zoom). Any interested elector within the Districts may, at any time prior to the final adoption of the 2024 budgets or the 2023 amended budgets, inspect the 2024 budgets and file or register any objections thereto. Members of the public are encouraged to participate by telephone or videoconference in one of the following ways:

1. To attend via Zoom Videoconference, see the below link: https://us02web.zoom.us/j/87155529666? pwd=0DF2N3pPTngzQmV0MmZoYjJQR Hpodz09

2. To attend via telephone, dial 1-719-359-4580 and enter the following additional information: a. Meeting ID: 871 5552 9668 b. Passcode: 438756

ATEC METROPOLITAN DISTRICT NOS. 1 AND 2 /s/ Denise Denslow District Manager

Publication: November 2, 2023