

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of Forest Trace Metropolitan District No. 3 (the “**Board**”), City of Aurora, Arapahoe County, Colorado (the “**District**”), held a regular meeting on November 13, 2023, at the hour of 6:30 p.m.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2024 BUDGET

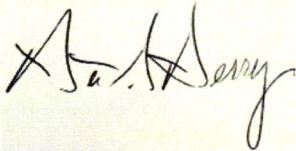
SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

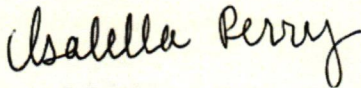
I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said 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 1 of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated November 9 A.D. 2023 and that the last publication of said notice was in the issue of said newspaper dated November 9 A.D. 2023.

I witness whereof I have hereunto set my hand this 9th day of November A.D. 2023.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 9th day of November A.D. 2023.



Notary Public



NOTICE OF PUBLIC HEARING
ON THE PROPOSED 2024 BUDGETS
AND NOTICE OF PUBLIC HEARING ON
THE AMENDED 2023 BUDGETS

The Boards of Directors (collectively the "Boards") of the FOREST TRACE METROPOLITAN DISTRICT NOS. 1&3 (collectively the "Districts"), will hold a public hearing at 6601 S. Wheatlands Parkway, Aurora, Colorado on November 13, 2023, at 6:30 p.m., to consider adoption of the Districts' proposed 2024 budgets (the "Proposed Budgets"), and, if necessary, adoption of an amendment to the 2023 budgets (the "Amended Budgets").

The Proposed Budgets and Amended Budgets are available for inspection by the public at the offices of Simmons & Wheeler, 304 Inverness Way S #490, Englewood, CO 80112.

Any interested elector of the Districts may file any objections to the Proposed Budgets and Amended Budgets at any time prior to the final adoption of the Proposed Budgets or the Amended Budgets by the Boards.

The agenda for any meeting may be obtained at <https://www.foresttracemetro.org/> or by calling (303) 858-1800.

BY ORDER OF THE BOARDS OF DIRECTORS:
FOREST TRACE METROPOLITAN DISTRICT NOS. 1&3, quasi-municipal corporations and political subdivisions of the State of Colorado
/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Publication: November 9, 2023
Sentinel

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

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

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 1.031 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 budget year, there is hereby levied a tax of 56.440 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 budget year, there is hereby levied a tax of 1.132 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Arapahoe County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED NOVEMBER 13, 2023.

DISTRICT:

**FOREST TRACE METROPOLITAN
DISTRICT NO. 3**, a quasi-municipal corporation
and political subdivision of the State of Colorado

By: *Daniel Frank*
Daniel Frank (Nov 14, 2023 10:52 MST)
Officer of the District

Attest:

By: *Marc Cooper*
Marc Cooper (Nov 14, 2023 16:33 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law


General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
FOREST TRACE METROPOLITAN DISTRICT NO. 3

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held at 6601 Wheatlands Parkway, Aurora, Colorado, on Monday, November 13, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 14 day
of November, 2023.

Marc Cooper
Marc Cooper (Nov 14, 2023 16:33 MST)
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

FOREST TRACE METROPOLITAN DISTRICT NO. 3
2024
BUDGET MESSAGE

Attached please find a copy of the adopted 2024 budget for Forest Trace Metropolitan District No. 3.

The Forest Trace Metropolitan District No. 3 has adopted budgets for three funds, a General Fund to provide for the payment of general operating expenditures; a Capital Fund to provide for the estimated infrastructure costs to be built for the benefit of the district; and a Debt Service Fund to provide for payments on the outstanding general obligation debt.

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

The primary sources of revenue for the district in 2024 will be property taxes and bond proceeds. The district intends to impose a 58.603 mill levy on the property within the district in 2024, of which 1.031 mills will be dedicated to the General Fund and the balance of 57.572 mills will be allocated to the Debt Service Fund. 1.132 mills of the 57.572 mills are restricted for regional improvements per an intergovernmental agreement with the City of Aurora.

Forest Trace Metropolitan District No. 3
Adopted Budget
General Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimated <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 39,170	\$ 44,559	\$ 50,053	\$ 50,053	\$ 55,442
Revenues:					
Property taxes	31,463	30,932	31,316	31,400	21,246
Specific ownership taxes	1,986	2,261	968	2,000	1,293
Interest/misc income	<u>7</u>	<u>10</u>	<u>1</u>	<u>10</u>	<u>10</u>
Total revenues	<u>33,456</u>	<u>33,203</u>	<u>32,285</u>	<u>33,410</u>	<u>22,549</u>
Total funds available	<u>72,626</u>	<u>77,762</u>	<u>82,338</u>	<u>83,463</u>	<u>77,991</u>
Expenditures:					
Accounting / audit	9,786	10,500	2,408	9,500	10,500
Election	1,613	3,500	1,408	2,000	-
Insurance	2,792	3,500	2,792	3,100	3,500
Professional services	-	-	-	950	-
Legal	7,890	15,000	3,642	12,000	15,000
Miscellaneous	20	1,000	-	-	1,000
Treasurer fees	472	464	470	471	319
Contingency	-	42,779	-	-	46,762
Emergency reserve (3%)	<u>-</u>	<u>1,019</u>	<u>-</u>	<u>-</u>	<u>910</u>
Total expenditures	<u>22,573</u>	<u>77,762</u>	<u>10,720</u>	<u>28,021</u>	<u>77,991</u>
Ending fund balance	<u>\$ 50,053</u>	<u>\$ -</u>	<u>\$ 71,618</u>	<u>\$ 55,442</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 15,465,893</u>			<u>\$ 20,606,839</u>
Mill Levy		<u>2.000</u>			<u>1.031</u>

Forest Trace Metropolitan District No. 3
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimated <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 852,045	\$ 818,126	\$ 851,303	\$ 851,303	\$ 842,753
Revenues:					
Property taxes	824,524	818,362	815,617	818,000	1,163,050
Specific ownership taxes	52,038	65,469	26,859	32,000	93,044
Property taxes - ARI	16,486	16,363	16,308	16,350	23,327
Specific ownership taxes -ARI	1,040	1,309	537	1,100	1,866
Interest income	16,785	2,000	23,254	25,000	2,000
Total revenues	910,873	903,503	882,575	892,450	1,283,287
Total funds available	1,762,918	1,721,629	1,733,878	1,743,753	2,126,040
Expenditures:					
2019 Loan Interest Expense	358,630	351,354	175,196	351,354	344,869
Bond principal Series 2019	240,000	245,000	-	245,000	245,000
Interest expense Series 2020	279,583	271,426	-	271,426	708,569
Regional Mill levy	17,284	17,427	16,063	17,205	24,843
Treasurer's fees	12,371	12,275	12,234	12,270	17,446
Treasurer's fees - ARI	247	245	245	245	350
Trustee / paying agent fees	3,500	5,000	3,500	3,500	5,000
Total expenditures	911,615	902,727	207,238	901,000	1,346,077
Ending fund balance	\$ 851,303	\$ 818,902	\$ 1,526,640	\$ 842,753	\$ 779,963
Assessed valuation		\$ 15,465,893			\$ 20,606,839
Mill Levy		52.914			56.440
ARI Mill levy		1.058			1.132
Total Mill Levy		55.972			58.603

Forest Trace Metropolitan District No. 3
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2024

	Estimated <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>6/30/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond proceeds	-	-	-	3,000,000	3,000,000
Interest income	-	-	-	-	-
Total revenues	-	-	-	3,000,000	3,000,000
Total funds available	-	-	-	3,000,000	3,000,000
Expenditures:					
Repay developer advance - principal	-	-	-	500,000	500,000
Cost of issuance	-	-	-	120,000	120,000
Capital improvements	-	-	-	2,380,000	2,380,000
Total expenditures	-	-	-	3,000,000	3,000,000
Ending fund balance	\$ -	\$ -	\$ -	\$ -	\$ -