

Traditions Metropolitan District No. 2  
Financial Statements

May 31, 2020

ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Traditions Metropolitan District No. 2

Management is responsible for the accompanying financial statements of each major fund of Traditions Metropolitan District No. 2, as of and for the period ended May 31, 2020, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the five months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Traditions Metropolitan District No. 2 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

June 9, 2020  
Englewood, Colorado

Traditions Metropolitan District  
Balance Sheet - Governmental Funds and Account Groups  
May 31, 2020

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
<b>Assets</b>				
<b>Current assets</b>				
Cash in Colotrust	\$ 242,361	\$ 972,845	\$ -	\$ 1,215,206
Cash - Checking	4,165	-	-	4,165
Taxes receivable	2,500	30,151	-	32,651
Prepaid expenses	-	-	-	-
	<u>249,026</u>	<u>1,002,996</u>	<u>-</u>	<u>1,252,022</u>
<b>Other assets</b>				
Capital assets-construction in progress	-	-	-	-
Amount available in debt service fund	-	-	1,002,996	1,002,996
Amount to be provided for retirement of debt	-	-	12,542,004	12,542,004
	<u>-</u>	<u>-</u>	<u>13,545,000</u>	<u>13,545,000</u>
	<u>\$ 249,026</u>	<u>\$ 1,002,996</u>	<u>\$ 13,545,000</u>	<u>\$ 14,797,022</u>
<b>Liabilities and Equity</b>				
<b>Current liabilities</b>				
Accounts payable	\$ <u>4,805</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,805</u>
	<u>4,805</u>	<u>-</u>	<u>-</u>	<u>4,805</u>
Bonds payable- Series 2016	<u>-</u>	<u>-</u>	<u>13,545,000</u>	<u>13,545,000</u>
Total liabilities	<u>4,805</u>	<u>-</u>	<u>13,545,000</u>	<u>13,549,805</u>
<b>Fund Equity</b>				
Investment in capital improvements	-	-	-	-
Fund balance (deficit)	244,221	1,002,996	-	1,247,217
Emergency reserves	-	-	-	-
	<u>244,221</u>	<u>1,002,996</u>	<u>-</u>	<u>1,247,217</u>
	<u>\$ 249,026</u>	<u>\$ 1,002,996</u>	<u>\$ 13,545,000</u>	<u>\$ 14,797,022</u>

Traditions Metropolitan District  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Five Months Ended May 31, 2020  
 General Fund

See Accountant's Compilation Report

	Adopted Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 70,016	\$ 40,214	\$ (29,802)
Specific ownership	4,937	1,841	(3,096)
Miscellaneous Income	-	1,880	1,880
Interest income	10	3	(7)
	<u>74,963</u>	<u>43,938</u>	<u>(31,025)</u>
<b>Expenditures</b>			
Accounting/Audit	10,000	1,023	8,977
Legal	10,000	5,769	4,231
Insurance	3,500	5,174	(1,674)
Miscellaneous	500	-	500
Directors Fees	1,800	-	1,800
Treasurer fees	1,050	603	447
Detention Pond	150,000	-	150,000
Contingency	115,232	-	115,232
Emergency reserve	752	-	752
	<u>292,834</u>	<u>12,569</u>	<u>280,265</u>
Excess (deficiency) of revenues over expenditures	(217,871)	31,369	249,240
Fund balance - beginning	<u>217,871</u>	<u>212,852</u>	<u>(5,019)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 244,221</u>	<u>\$ 244,221</u>

Traditions Metropolitan District  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Five Months Ended May 31, 2020  
 Debt Fund

See Accountant's Compilation Report

	Adopted Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Revenues</b>			
Property taxes	\$ 844,584	\$ 485,094	\$ (359,490)
Specific ownership	59,121	22,206	(36,915)
Interest income	<u>15,000</u>	<u>6,815</u>	<u>(8,185)</u>
	<u>918,705</u>	<u>514,115</u>	<u>(404,590)</u>
<b>Expenditures</b>			
Bond Series 2016 - principal	85,000	-	85,000
Bond Series 2016 - interest	591,156	295,578	295,578
Trustee/paying agent fees	5,000	-	5,000
Treasurer's fees	<u>12,659</u>	<u>7,277</u>	<u>5,382</u>
	<u>693,815</u>	<u>302,855</u>	<u>390,960</u>
Excess (deficiency) of revenues over expenditures	224,890	211,260	(13,630)
Fund balance - beginning	<u>776,411</u>	<u>791,736</u>	<u>15,325</u>
Fund balance - ending	<u>\$ 1,001,301</u>	<u>\$ 1,002,996</u>	<u>\$ 1,695</u>