

TRADITIONS METROPOLITAN DISTRICT

2022 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for Traditions Metropolitan District (the “District”), the District is required to provide an annual report with regard to the following matters:

For the year ending December 31, 2022, the District(s) make the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

None.

2. Intergovernmental Agreements entered into or terminated.

None.

3. Access information to obtain a copy of rules and regulations adopted by the board.

<https://traditionsmetrodistrict.com>

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Arapahoe County, there is no litigation involving the District as of December 31, 2022.

5. Status of the construction of public improvements by the District.

All public improvements have been constructed.

6. A list of facilities or improvements constructed by the District there were conveyed or dedicated to the county or municipality.

All principal public infrastructure has been completed, dedicated and accepted.

7. The final assessed valuation of the District as of December 31st of the reporting year.

See Exhibit C.

8. A copy of the current year’s budget.

A copy of the 2023 Budget is attached hereto as Exhibit A.

9. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The District’s 2022 Audit will be provided as a supplement report at a later date.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

None.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

None.

Service Plan Requirements

- 1. Boundary changes made or proposed:**
There were no boundary changes made or proposed during 2022.
- 2. Intergovernmental Agreements with other governmental entities entered into or proposed:**
The District did not enter into any intergovernmental agreements in 2022.
- 3. Changes or proposed changes in the District's policies:**
There were no changes or proposed changes in the District's policies during 2022.
- 4. Changes or proposed changes in the District's operations:**
There were no changes or proposed changes in the District's operations during 2022.
- 5. Any changes in the financial status of the District including revenue projections, or operating costs:**
A copy of the District's 2023 budget, including revenue projections and operating costs, is attached hereto as **Exhibit A**.
- 6. A summary of any litigation which involves the District:**
To our actual knowledge, based on review of the court records in Arapahoe County, there is no litigation involving the District as of December 31, 2022.
- 7. Proposed development plans for the year immediately following the year summarized in the annual report:**
The District has no planned development for 2022.
- 8. Status of District's Public Improvement Construction Schedule:**
The principal public infrastructure necessary to support the planned 972 homes within the development has been completed.
- 9. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by Aurora:**
All principal public infrastructure has been completed, dedicated and accepted.
- 10. Summary of current assessed valuation of the District:**
See the District's 2022 Assessed Valuation attached as **Exhibit C**.
- 11. Total acreage of property within the District:**
The total acreage of property within the District is approximately 319 acres.
- 12. The District's indebtedness (stated separately for each class of debt):**
General Obligation Refunding Bonds, Series 2016 in the amount of \$13,545,000.
- 13. The District's debt service (stated separately for each class of debt):**

See the District's 2023 budget attached as **Exhibit A**.

14. The District's tax revenue:

See the attached mill levy certification attached as **Exhibit B**.

15. Other revenues of the District:

See the District's 2023 budget attached as **Exhibit A**.

16. Public improvement expenditures:

See the District's 2023 budget attached as **Exhibit A**.

17. Other expenditures:

See the District's 2023 budget attached as **Exhibit A** and the District's 2022 Audit will be provided as a Supplement Report at a later date.

EXHIBIT A
2023 Budget

TRADITIONS METROPOLITAN DISTRICT NO. 2
2023
BUDGET MESSAGE

Attached please find a copy of the adopted 2023 budget for the Traditions Metropolitan District No. 2.

The Traditions Metropolitan District No.2 has adopted three separate funds, a General Fund to provide for the payment of general operating expenditures; a Capital Projects Fund to provide for the regional improvements that are 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 source of revenue for the district in 2023 will be property taxes. The district intends to impose a 32.487 mill levy on the property within the district for 2023, of which 2.487 mills will be dedicated to the General Fund and the balance of 30.000 mills will be allocated to the Debt Service Fund.

Traditions Metropolitan District
FKA Traditions Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 248,049	\$ 284,794	\$ 271,606	\$ 271,606	\$ 216,729
Revenues:					
Property taxes	72,092	74,744	74,238	74,744	72,998
Specific ownership taxes	4,969	5,279	2,301	4,600	5,110
Interest income	<u>23</u>	<u>30</u>	<u>3,588</u>	<u>3,590</u>	<u>30</u>
Total revenues	<u>77,084</u>	<u>80,053</u>	<u>80,127</u>	<u>82,934</u>	<u>78,138</u>
Total funds available	<u>325,133</u>	<u>364,847</u>	<u>351,733</u>	<u>354,540</u>	<u>294,867</u>
Expenditures:					
Accounting	9,990	10,000	1,529	10,000	10,000
Legal	13,722	12,000	9,599	20,000	20,000
Election expense	-	20,000	3,056	20,000	20,000
Insurance	3,739	6,000	3,390	3,390	6,000
Miscellaneous	600	500	711	1,400	1,500
Director Fees	1,400	1,800	900	1,900	2,000
Treasurer fees	1,082	1,121	1,114	1,121	1,095
Detention Pond	22,994	290,000	6,534	80,000	-
Emergency reserve (3%)	-	1,543	-	-	1,818
Contingency	<u>-</u>	<u>21,883</u>	<u>-</u>	<u>-</u>	<u>232,454</u>
Total expenditures	<u>53,527</u>	<u>364,847</u>	<u>26,833</u>	<u>137,811</u>	<u>294,867</u>
Ending fund balance	<u>\$ 271,606</u>	<u>\$ -</u>	<u>\$ 324,900</u>	<u>\$ 216,729</u>	<u>\$ -</u>
Assessed Valuation	<u>\$ 28,987,042</u>	<u>\$ 30,053,703</u>			<u>\$ 29,351,951</u>
Mill levy	<u>2.487</u>	<u>2.487</u>			<u>2.487</u>

Traditions Metropolitan District
Adopted Budget
Capital Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Transfer from Debt Service	-	-	-	-	600,000
Interest income	-	-	-	-	1,000
Total revenues	-	-	-	-	601,000
Total funds available	-	-	-	-	601,000
Expenditures:					
Issuance costs	-	-	-	-	
Dentention Pond Improv	-	-	-	-	601,000
Total expenditures	-	-	-	-	601,000
Ending fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

Traditions Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 1,016,501	\$ 1,171,386	\$ 1,175,869	\$ 1,175,869	\$ 1,319,348
Revenues:					
Property taxes	869,625	901,611	895,511	901,611	880,559
Specific ownership taxes	59,933	63,250	27,754	55,500	61,639
Interest income	<u>1,015</u>	<u>3,000</u>	<u>622</u>	<u>1,250</u>	<u>1,500</u>
Total revenues	<u>930,573</u>	<u>967,861</u>	<u>923,887</u>	<u>958,361</u>	<u>943,698</u>
Total funds available	<u>1,947,074</u>	<u>2,139,247</u>	<u>2,099,756</u>	<u>2,134,230</u>	<u>2,263,046</u>
Expenditures:					
Bond interest - 2016	587,756	580,956	290,478	580,956	572,156
Bond principal - 2016	170,000	220,000	-	220,000	240,000
Transfer to Capital Project	-	-	-	-	600,000
Paying agent fees	400	5,000	400	400	5,000
Treasurer fees	<u>13,049</u>	<u>13,526</u>	<u>13,433</u>	<u>13,526</u>	<u>13,208</u>
Total expenditures	<u>771,205</u>	<u>819,482</u>	<u>304,311</u>	<u>814,882</u>	<u>1,430,364</u>
Ending fund balance	\$ 1,175,869	\$ 1,319,765	\$ 1,795,445	\$ 1,319,348	\$ 832,682
Senior Surplus Max req	\$ 500,000	\$ 500,000		\$ 500,000	\$ 500,000
Assessed Valuation	\$ 28,987,042	\$ 30,053,703			\$ 29,351,951
Mill Levy	<u>31.000</u>	<u>30.000</u>			<u>30.000</u>
Total Mill Levy	<u>33.487</u>	<u>32.487</u>			<u>32.487</u>

EXHIBIT B
Mill Levy Certification

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**TO:** County Commissioners¹ of Arapahoe County, Colorado.On behalf of the Traditions Metropolitan District,
(taxing entity)^Athe Board of Directors
(governing body)^Bof the Traditions Metropolitan District
(local government)^C**Hereby** officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 29,351,951
assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)**Note:** If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be \$ 29,351,951
calculated using the NET AV. The taxing entity's total
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of: (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
BY ASSESSOR NO LATER THAN DECEMBER 10****Submitted:** 12/12/2022 for budget/fiscal year 2023.
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)**PURPOSE** (see end notes for definitions and examples)**LEVY²****REVENUE²**

1. General Operating Expenses ^H	<u>6.000</u> mills	\$ <u>176,111</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u>3.513</u> > mills	\$ < <u>103,113</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>2.487</u> mills	\$ <u>72,998</u>
3. General Obligation Bonds and Interest ^J	<u>30.000</u> mills	\$ <u>880,559</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>32.487</u> mills	\$ <u>953,557</u>

Contact person: _____ Daytime
(print) Diane K Wheeler phone: (303) 689-0833
Signed: Diane K Wheeler Title: District AccountantInclude 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 the
Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.¹ 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:

BONDS^J:

1.	Purpose of Issue:	\$13,545,000 General Obligation Limited Tax Refunding Bonds
	Series:	2016
	Date of Issue:	December 13, 2016
	Coupon Rate:	Varies 4.000% – 5.000%
	Maturity Date:	December 1, 2046
	Levy:	30.000
	Revenue:	\$880,559

2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	

CONTRACTS^K:

3.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

4.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

EXHIBIT C
Assessed Valuation



PK Kaiser, MBA, MS

Assessor

November 23, 2022

OFFICE OF THE ASSESSOR

5334 S. Prince Street

Littleton, CO 80120-1136

Phone: 303-795-4600

TDD: Relay-711

Fax: 303-797-1295

<http://www.arapahoegov.com/assessor>

assessor@arapahoegov.com

AUTH 4710 TRADITIONS METRO DIST
WHITE BEAR ANKELE TANAKA & WALDRON
C/O GEORGE ROWLEY
2154 E COMMONS AVE SUITE 2000
CENTENNIAL CO 80122

Code # 4710

RECERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2022 of:

\$29,351,951

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS
Arapahoe County Assessor

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RECERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity

☐ YES ☒ NO

Date: November 23, 2022

NAME OF TAX ENTITY: TRADITIONS METRO DIST

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	30,053,703
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	29,351,951
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	29,351,951
5. NEW CONSTRUCTION: *	5.	\$	11,759
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	411,751,845
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	169,200
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0
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IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$	8
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.