

**TOWER METROPOLITAN DISTRICT
2023 ANNUAL REPORT**

For the year ending December 31, 2023, the District makes the following report:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.

The District's boundaries did not change during the report year.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.

The District did not enter into any new Intergovernmental Agreements during the report year.

3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year, and contact information for obtaining copies of same.

The District did not adopt any Rules and Regulations in 2023.

District Contact: Spencer Fane LLP, Attn: Nicole Peykov, npeykov@spencerfane.com

4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.

The District has had no litigation during the report year.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

The District continued constructing Public Improvements in 2023, including Public Improvements for Phase 11, 38th Avenue, First Creek, and the Retail properties.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

No facilities or improvements were dedicated to the City during the report year.

7. The assessed valuation of the District for the current year.

The District's assessed valuation for 2023 was \$328,788,430.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

The District's 2024 budget is attached hereto as **Exhibit A**.

9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

The District's 2023 Audit is in progress and will be available via the State Auditor's online portal once filed: <https://apps.leg.co.gov/osa/lg/submissions/search>.

10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

The District has not had any uncured events of default during the report year.

11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

The District has had no inability to pay its obligations during the report year.

The foregoing Annual Report and accompanying exhibits are submitted this 1st day of August, 2024.

/s/ Nicole R. Peykov

Nicole R. Peykov, Counsel for the District

Exhibit A
2024 Budget

**RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
TOWER METROPOLITAN DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE TOWER METROPOLITAN DISTRICT, ADAMS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of the Tower Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 21, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ 4,749,020 ; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$ -0- ; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 1,497,960 ; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ 328,788 ; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ -0- ; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$-0-_____ ; and

WHEREAS, the 2023 valuation for assessment for the District as certified by the County Assessor of County of Adams is \$328,788,430, and

WHEREAS, at an election held on November 8, 1994, November 3, 1998, and November 7, 2000, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TOWER METROPOLITAN DISTRICT OF ADAMS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Tower Metropolitan District for calendar year 2024.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2024 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2024 budget year, there is hereby levied a tax of 14.444 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 4.556 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 1.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., 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 boundaries of the District for the year 2023.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., 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 boundaries of the District for the year 2023.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2023, to the Board of County Commissioners of Adams County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Adams County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2023 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

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ADOPTED this 21st day of November, 2023.

TOWER METROPOLITAN DISTRICT

Randall C Hertel

President

ATTEST:

Jack Bailey

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

TOWER METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**TOWER METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 5,085,015	\$ 3,036,753	\$ 1,355,151
REVENUES			
Property taxes	3,422,958	4,174,284	6,246,980
Specific ownership taxes	266,265	291,645	460,304
Property taxes - ARI	181,490	219,477	328,788
Interest income	94,456	165,016	152,400
Other income	255	-	5,000
Intergovernmental reimbursement - 38th Ave	592,020	-	-
Intergovernmental reimbursement - drainage	260,000	245,000	495,000
Reimbursement from Aurora	3,072,000	384,000	384,000
Loan issuance (Refunding)	-	-	24,897,300
Loan proceeds	2,000,000	2,805,000	8,841,900
Total revenues	<u>9,889,444</u>	<u>8,284,422</u>	<u>41,811,672</u>
TRANSFERS IN	<u>2,316,105</u>	<u>4,186,275</u>	<u>4,535,700</u>
Total funds available	<u>17,290,564</u>	<u>15,507,450</u>	<u>47,702,523</u>
EXPENDITURES			
General Fund	872,069	944,800	1,231,475
Debt Service Fund	6,651,037	1,308,261	27,030,348
Capital Projects Fund	4,414,600	7,696,700	13,905,000
Total expenditures	<u>11,937,706</u>	<u>9,949,761</u>	<u>42,166,823</u>
TRANSFERS OUT	<u>2,316,105</u>	<u>4,202,538</u>	<u>4,535,700</u>
Total expenditures and transfers out requiring appropriation	<u>14,253,811</u>	<u>14,152,299</u>	<u>46,702,523</u>
ENDING FUND BALANCES	<u>\$ 3,036,753</u>	<u>\$ 1,355,151</u>	<u>\$ 1,000,000</u>
EMERGENCY RESERVE	\$ 91,300	\$ 110,900	\$ 169,200
AVAILABLE FOR OPERATIONS	2,490,483	1,018,163	830,800
TOTAL RESERVE	<u>\$ 2,581,783</u>	<u>\$ 1,129,063</u>	<u>\$ 1,000,000</u>

No assurance provided. See summary of significant assumptions.

**TOWER METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Residential	\$ 217,110	\$ 206,480	\$ 271,090
Commercial	133,874,590	142,980,600	232,881,390
Industrial	14,502,890	14,502,890	22,801,110
Agricultural	66,840	59,790	21,580
State assessed	66,740	126,490	121,860
Vacant land	2,210,100	2,390,920	6,554,100
Personal property	32,564,790	59,205,940	66,137,300
Certified Assessed Value	\$ 183,503,060	\$ 219,473,110	\$ 328,788,430

MILL LEVY

General	13.988	13.988	14.444
Debt Service	5.012	5.012	4.556
ARI	1.000	1.000	1.000
Total mill levy	20.000	20.000	20.000

PROPERTY TAXES

General	\$ 2,566,841	\$ 3,069,990	\$ 4,749,020
Debt Service	919,717	1,099,999	1,497,960
ARI	183,503	219,473	328,788
Levied property taxes	3,670,061	4,389,462	6,575,768
Adjustments to actual/rounding	(36,114)	13,334	-
Refunds and abatements	(29,499)	(9,035)	-
Budgeted property taxes	\$ 3,604,448	\$ 4,393,761	\$ 6,575,768

BUDGETED PROPERTY TAXES

General	\$ 2,513,329	\$ 3,073,496	\$ 4,749,020
Debt Service	909,629	1,100,788	1,497,960
ARI	181,490	219,477	328,788
	\$ 3,604,448	\$ 4,393,761	\$ 6,575,768

No assurance provided. See summary of significant assumptions.

**TOWER METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,728,930	\$ 2,581,783	\$ 1,129,063
REVENUES			
Property taxes	2,513,329	3,073,496	4,749,020
Specific ownership taxes	266,265	291,645	460,304
Property taxes - ARI	181,490	219,477	328,788
Interest income	79,688	110,000	95,000
Other income	255	-	5,000
Total revenues	<u>3,041,027</u>	<u>3,694,618</u>	<u>5,638,112</u>
Total funds available	<u>5,769,957</u>	<u>6,276,401</u>	<u>6,767,175</u>
EXPENDITURES			
General and administrative			
Accounting	86,636	90,000	118,000
Auditing	5,400	5,600	6,000
Contingency	-	-	20,252
County Treasurer's fee	37,819	46,132	71,235
County Treasurer's fee - ARI	2,712	3,298	4,932
Directors' fees	4,600	4,700	10,000
Donations	-	300	600
Dues and licenses	932	972	1,100
Election	2,086	1,700	-
Insurance	3,723	4,959	6,000
Landscape maintenance	226,915	245,000	255,000
Legal	44,469	50,000	80,000
Meeting expenses	677	1,460	4,000
Miscellaneous	8,796	-	5,000
Payroll expenses	1,151	1,200	3,000
Property management	31,603	40,000	45,000
Repairs and maintenance	5,474	8,300	16,500
Security	105,350	110,000	150,000
Snow removal	22,356	15,000	11,000
Utilities - Irrigation system	102,591	100,000	100,000
ARI Reimbursement	178,779	216,179	323,856
Total expenditures	<u>872,069</u>	<u>944,800</u>	<u>1,231,475</u>
TRANSFERS OUT			
Transfers to other fund	<u>2,316,105</u>	<u>4,202,538</u>	<u>4,535,700</u>
Total expenditures and transfers out requiring appropriation	<u>3,188,174</u>	<u>5,147,338</u>	<u>5,767,175</u>
ENDING FUND BALANCES	<u>\$ 2,581,783</u>	<u>\$ 1,129,063</u>	<u>\$ 1,000,000</u>
EMERGENCY RESERVE	\$ 91,300	\$ 110,900	\$ 169,200
AVAILABLE FOR OPERATIONS	<u>2,490,483</u>	<u>1,018,163</u>	<u>830,800</u>
TOTAL RESERVE	<u>\$ 2,581,783</u>	<u>\$ 1,129,063</u>	<u>\$ 1,000,000</u>

No assurance provided. See summary of significant assumptions.

**TOWER METROPOLITAN DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,101,745	\$ 33,461	\$ 226,088
REVENUES			
Property taxes	909,629	1,100,788	1,497,960
Interest income	6,104	16,100	25,000
Reimbursement from Aurora	3,072,000	384,000	384,000
Intergovernmental reimbursement - 38th Ave	592,020	-	-
Loan issuance (Refunding)	-	-	24,897,300
Total revenues	<u>4,579,753</u>	<u>1,500,888</u>	<u>26,804,260</u>
TRANSFERS IN			
Transfers from other funds	<u>3,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>6,684,498</u>	<u>1,534,349</u>	<u>27,030,348</u>
EXPENDITURES			
Debt Service			
Interest expense - Series 2014A	216,997	211,088	221,056
Interest expense - Series 2014B	66,974	65,134	68,203
Interest expense - Series 2020	201,970	245,416	602,650
Loan principal - Series 2014A	235,000	240,000	8,155,000
Loan principal - Series 2014B	80,000	85,000	2,745,000
Loan principal - Series 2020	5,796,000	384,000	14,527,900
County Treasurer's fee	13,591	16,529	22,469
Legal	-	23,094	-
Paying agent fees	3,000	3,000	3,000
Non-use fee	37,505	35,000	35,000
Contingency	-	-	4,926
Bond issue costs	-	-	645,144
Total expenditures	<u>6,651,037</u>	<u>1,308,261</u>	<u>27,030,348</u>
Total expenditures and transfers out requiring appropriation	<u>6,651,037</u>	<u>1,308,261</u>	<u>27,030,348</u>
ENDING FUND BALANCES	<u>\$ 33,461</u>	<u>\$ 226,088</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TOWER METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 254,340	\$ 421,509	\$ -
REVENUES			
Interest income	8,664	38,916	32,400
Intergovernmental reimbursement - drainage	260,000	245,000	495,000
Loan proceeds	2,000,000	2,805,000	8,841,900
Total revenues	<u>2,268,664</u>	<u>3,088,916</u>	<u>9,369,300</u>
TRANSFERS IN			
Transfers from other funds	<u>2,313,105</u>	<u>4,186,275</u>	<u>4,535,700</u>
Total funds available	<u>4,836,109</u>	<u>7,696,700</u>	<u>13,905,000</u>
EXPENDITURES			
Capital Projects			
32nd and Himalaya medians	-	-	500,000
38th Ave extension	-	30,000	5,300,000
38th Ave improvements	766,820	-	-
38th Ave to Himalaya	2,365	-	-
Building 15	7,185	-	-
Building 16	649,655	-	-
FBR common area	-	-	780,000
FDP & MDR update	-	68,000	25,000
Fire access paving	-	-	-
First Creek improvements	609,243	160,000	100,000
Himalaya extension	-	20,000	2,200,000
IG-A improvements	-	-	50,000
MCC earthwork analysis	-	7,000	25,000
Monument landscaping	575	-	-
MSI - Building H	-	-	-
Phase 11 offsite improvements	198,921	7,000,000	2,850,000
Picadilly bridge	132,571	140,000	25,000
Picadilly roadway	31,638	5,700	-
Picadilly widening w/ bridge	-	-	25,000
Retail	2,003,227	265,000	-
SE detention pond w/ bridge	-	-	25,000
Signs	12,400	1,000	-
Tower Crossings retail - Phase I	-	-	1,500,000
Tower Crossings retail - Phase II	-	-	500,000
Total expenditures	<u>4,414,600</u>	<u>7,696,700</u>	<u>13,905,000</u>
Total expenditures and transfers out requiring appropriation	<u>4,414,600</u>	<u>7,696,700</u>	<u>13,905,000</u>
ENDING FUND BALANCES	<u>\$ 421,509</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TOWER METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court on March 5, 1980, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was established for the purpose of constructing streets (which include curbs, gutters and drainage facilities), traffic controls, parks and recreation facilities, public transportation and mosquito control in its service area, which is located in the City of Aurora, Adams County, Colorado. The District also has powers for code enforcement and security.

During elections held on November 8, 1994, November 3, 1998, and November 7, 2000, the District's voters authorized total general obligation indebtedness of \$121,734,500 for the above listed facilities and powers. The elections also approved general obligation indebtedness of \$2,000,000 for operations and maintenance and \$106,000,000 for refunding of District debt. Additionally, the 2000 election approved a property tax increase of \$20,000,000 annually for operations and maintenance and the authority to collect revenues other than property taxes without regard to any spending limit.

The District has one employee and all other administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 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.

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.

**TOWER METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

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Revenues

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**TOWER METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (Continued)

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

Net Investment Income

Interest earned on the District's available funds has been estimated based on the current prevailing interest rates.

Expenditures

Administrative Expenses

Administration expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, general engineering, insurance, meeting expense, and other administrative expenses.

Operations and Maintenance

Certain street and median landscaping improvements will be owned and maintained by the District. The estimated costs for repairs and maintenance of the improvements are found on the General Fund page of the budget.

**TOWER METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (Continued)

Debt Service

Principal and interest payments in 2024 are provided based on the debt amortization schedule from the Series 2014A and Series 2014B Loans (discussed under Debts and Leases).

Capital Improvements

Anticipated capital improvements for 2024 are detailed on the Capital Projects Fund page of the budget.

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2024, as defined under TABOR.

Debt and Leases

General Obligation Tax Exempt Refunding Loans (the 2014 Loans)

On December 30, 2014, the District issued \$9,995,000 in a General Obligation Tax Exempt Refunding Loan (2014A Loan) and \$3,370,000 in a General Obligation Taxable Refunding Loan (2014B Loan) (collectively, the “2014 Loans”). The 2014B Loan was converted to a tax exempt loan on January 15, 2015.

The 2014 Loans are term loans due on December 30, 2024, with a fixed interest rate of 2.48% for the 2014A Loan and an initial interest rate of 3.380% for the 2014B Loan. On January 15, 2015, the interest rate on the 2014B Loan was converted to a fixed rate of 2.27%. Interest is paid semiannually on June 1 and December 1. The 2014 Loans are subject to mandatory sinking redemptions due on December 1 of each year, beginning on December 1, 2015. The 2014 Loans both have a balloon payment of the remaining outstanding principal due on December 30, 2024. The District may, at its option, prepay all or any part of the principal of the Loans on a principal payment date, upon payment of par, accrued interest and a prepayment fee for any prepayments made prior to December 1, 2024.

General Obligation Loan 2020 (the 2020 Loan)

The District entered into a Loan Agreement with U.S. Bank National Association (the Bank) on August 19, 2020 in the aggregate original principal amount of not to exceed \$20,000,000 (the 2020 Loan Agreement). The Initial Advance on the 2020 Loan was extended to the District on the Closing Date of the 2020 Loan in the amount of \$227,000.

The proceeds of the Initial Advance of the 2020 Loan were used to pay the costs of issuing the 2020 Loan. Any remaining amounts of the Initial Advance will be transferred to the Project Fund to finance and reimburse costs of public improvements.

**TOWER METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (Continued)

Each Advance on the 2020 Loan bears interest at an annual rate equal to 1.185%, plus the greater of (i) zero percent, and (ii) 85% of Daily Simple SOFR, payable semi-annually to the extent of Pledged Revenue available on June 1 and December 1, beginning on December 1, 2020. Annual payments of principal are due on December 1, commencing on December 1, 2020. The 2020 Loan matures on December 30, 2024. Interest is calculated on the basis of a 360-day year and actual number of days elapsed. Interest not paid when due shall compound on each Interest Payment Date at the rate of interest then borne by the 2020 Loan.

Principal on the 2020 Loan is due and payable on the Maturity Date. If the District receives a payment from the City of Aurora pursuant to an Assignment Agreement it shall pay such amount to the Bank as a mandatory prepayment of the 2020 Loan. No fee will be due to the Bank in connection with such mandatory prepayment.

The District may at its option, prepay the 2020 Loan in whole or in part on any date prior to the Maturity Date, in an amount equal to the principal to be prepaid, plus all accrued and unpaid interest thereon, without any prepayment fee or penalty.

A Non-Use Fee is due to the Bank semi-annually in arrears, payable by the District on each Interest Payment Date, commencing on December 1, 2020, in a per annum amount equal to 0.35% of the Unfunded Portion actually in effect from time to time during the applicable semi-annual period. The Non-Use Fee is calculated on the basis of a 360-day year and actual number of days elapsed.

The 2020 Loan and the 2014 Loan are payable from Pledged Revenue on an equal and parity basis. Pledged Revenue consists of (a) the revenue derived by the District (less costs of collection) from the imposition of the Required Mill Levy; and (b) all amounts held in the funds and accounts held by the Custodian to secure the 2020 Loan.

The Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay principal and interest due on the 2020 Loan and the Parity Obligations.

Because the total aggregate principal amount of the 2014 Loan and the 2020 Loan is less than 50% of the District's current assessed valuation, in accordance with the Service Plan, the 50 mill cap does not apply and the maximum debt mill levy imposed by the District may be unlimited and imposed at such amount as is necessary to pay debt service on the Loans.

Events of default occur if the District does not impose the Required Mill levy, make payments of principal and interest when due, and other customary terms and conditions consistent with normal municipal financings.

The District has no operating or capital leases.

This information is an integral part of the accompanying budget.

**TOWER METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$9,995,000

General Obligation

Tax Exempt Refunding Loan

Series 2014A

Dated December 30, 2014

Interest Rate of 2.48%

Due June 1 and December 1

Principal Due December 1

Balloon Payment Due December 30, 2024

	<u>Principal</u>	<u>Interest</u>
2024	\$ 255,000	\$ 205,053
12/30/2024	7,900,000	16,003
	<u>\$ 8,155,000</u>	<u>\$ 221,056</u>

No assurance provided. See summary of significant assumptions.

**TOWER METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
(Continued)**

\$3,370,000

**General Obligation
Taxable Refunding Loan
Series 2014B**

(Converting to Tax Exempt on January 15, 2015)

Dated December 30, 2014

Initial Taxable Interest Rate of 3.380%

Converting to 2.27% on January 15, 2015

Due June 1 and December 1

Principal Due December 1

Balloon Payment Due December 30, 2024

		Principal		Interest
2024	\$	90,000	\$	63,177
12/30/2024		2,655,000		61,106
	\$	2,745,000	\$	124,283

No assurance provided. See summary of significant assumptions.

**TOWER METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
(Continued)**

\$20,000,000 General Obligation Loan Series 2020 Dated August 19, 2020 Interest Rate of 1.185% Plus the Greater of (i) 0% or (ii) 85% of the Daily Simple SOFR Rate Due June 1 and December 1 Balloon Payment Due December 30, 2024		Total General Obligation Debt
Principal	Interest	Debt
-	\$ 366,667	979,897
20,000,000	33,334	30,665,443
\$ 20,000,000	\$ 400,001	\$ 31,645,340

No assurance provided. See summary of significant assumptions.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Adams County, Colorado.


On behalf of the Tower Metropolitan District,
(taxing entity)^A
the Board of Directors
(governing body)^B
of the Tower Metropolitan District
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 328,788,430 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 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: \$ 328,788,430 (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: 12/17/2023 for budget/fiscal year 2024.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>14.444</u> mills	<u>\$ 4,749,020</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	14.444 mills	\$ 4,749,020
3. General Obligation Bonds and Interest ^J	<u>4.556</u> mills	<u>\$ 1,497,960</u>
4. Contractual Obligations ^K	<u>1.000</u> mills	<u>\$ 328,788</u>
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]	20.000 mills	\$6,575,768

Contact person: Paul Niedermuller Phone: (303) 779-5710
Signed:  Title: Accountant for the District

Survey Question: Does the taxing entity have voter approval to adjust the general 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 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) 864-7720.

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: | <u>General Obligation Tax Exempt Refunding Loan</u> |
| | Series: | <u>2014A</u> |
| | Date of Issue: | <u>12/30/14</u> |
| | Coupon Rate: | <u>2.48%</u> |
| | Maturity Date: | <u>12/30/2024</u> |
| | Levy: | <u>1.450</u> |
| | Revenue: | <u>\$476,743</u> |
| | | |
| 2. | Purpose of Issue: | <u>General Obligation Tax Exempt Refunding Loan</u> |
| | Series: | <u>2014B</u> |
| | Date of Issue: | <u>12/30/14</u> |
| | Coupon Rate: | <u>2.27%</u> |
| | Maturity Date: | <u>12/30/2024</u> |
| | Levy: | <u>.487</u> |
| | Revenue: | <u>\$160,120</u> |
| | | |
| 3. | Purpose of Issue: | <u>General Obligation Loan</u> |
| | Title: | <u>2020A</u> |
| | Date: | <u>08/19/20</u> |
| | Coupon Rate: | <u>1.185% Plus the Greater of (i) 0% of (ii) 85% of the Daily Simple SOFR</u> |
| | Maturity Date: | <u>12/30/2024</u> |
| | Levy: | <u>2.619</u> |
| | Revenue: | <u>\$861,097</u> |

CONTRACTS^K:

- | | | |
|----|----------------------|--|
| 4. | Purpose of Contract: | <u>Regional Improvements within the City of Aurora</u> |
| | Title: | <u>Amended Service Plan</u> |
| | Date: | <u>October 07, 2019</u> |
| | Principal Amount: | <u>N/A</u> |
| | Maturity Date: | <u>5 years following final maturity</u> |
| | Levy: | <u>1.000</u> |
| | Revenue: | <u>\$328,788</u> |

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