

SOUTHLANDS METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: (303) 987-0835
Fax: (303) 987-2032

July 22, 2021

Mark Geyer, Project Manager
City of Aurora
15151 East Alameda Parkway, 5th Floor
Aurora, Colorado 80012

oda@auroragov.org

Re: Southlands Metropolitan District No. 2; 2020 Annual Report

Dear Mark:

Attached is the 2020 Annual Report for the above-referenced district. Please acknowledge receipt of the report by signing this letter below and returning to me via e-mail at apadilla@sdmsi.com.

If you have any questions, please contact me.

Sincerely,



Alysia Padilla
Assistant to Ann E. Finn
District Manager

Attached

cc: White Bear Ankele Tanaka & Waldron, P.C. – Jeffrey Weyand
Division of Local Government – E-filed
State Auditor - osa.lg@state.co.us
Arapahoe County Board of County Commissioners – Commissioners@co.arapahoe.co.us
Arapahoe County Clerk & Recorder - clerk@arapahoegov.com

The above-referenced annual report was received this ___ day of _____, 2021.

City of Aurora

By: _____

ANNUAL INFORMATION REPORT
For the year 2020
SOUTHLANDS METROPOLITAN DISTRICT NO. 2

(Pursuant to Section VIII of the Amended and Restated Service Plan for Southlands Metropolitan District No. 2 (the “District”) dated August 30, 2004 and Section 18 of the Amended and Restated Intergovernmental Agreement between the City and the District dated November 29, 2004.)

- (1) **Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.** There were no boundary changes made or proposed during 2020.
- (2) **Intergovernmental Agreements (IGAs) with other governmental entities either entered into or proposed as of December 31 of the prior year.** No new IGAs were entered into by the District in 2020.
- (3) **Copies of the District’s Rules and Regulations (Policies), if any as of December 31 of the prior year.**
 - a. Resolution Adopting Rules and Regulations, adopted June 15, 2015 is attached hereto as **Exhibit A**.
- (4) **A summary of any litigation which involved the District Public Improvements as of December 31 of the prior year.** To our actual knowledge, based on review of the court records in Arapahoe County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District Public Improvements as of December 31, 2020.
- (5) **Status of the District’s construction of the Public Improvements as of December 31 of the prior year.** The Playground Renovation Project (“Project”) was completed in 2020. The District awarded a contract for the Landscape Renovation Project in 2020 and is scheduled to be completed in 2021.
- (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 public improvements were dedicated to or accepted by the City in 2020.
- (7) **The assessed valuation of the District for the current year.** A copy of the 2020 certification of assessed valuation from Arapahoe County is attached hereto as **Exhibit B**.
- (8) **Current year budget including a description of the Public Improvements to be constructed in such year.** A copy of the 2021 Budget is attached hereto as **Exhibit C**.
- (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.** A copy of the 2020 Audit will be provided upon its completion.

- (10) **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.** There were no uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instruments during 2020

- (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.** There has been no 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 during 2020.

EXHIBIT A

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
SOUTHLANDS METROPOLITAN DISTRICT NO. 2**

ADOPTING RULES AND REGULATIONS

WHEREAS, the Board of Directors (the "Board") of Southlands Metropolitan District No. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District") has determined that it is in the best interest of the District and the residents and property owners of the District to adopt rules and regulations in order to preserve and protect public property and facilities owned and/or operated by the District, and prohibit activities that interfere with the use and enjoyment of such property and facilities; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Board of the District is authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of the State of Colorado for carrying on the business, objects, and affairs of the Board and the District; and

WHEREAS, pursuant to § 32-1-1001(n), C.R.S., the Board is authorized to have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to the District by Article 1, Title 32, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District; and

WHEREAS, pursuant to § 18-9-117(1), C.R.S., in addition to any authority granted by any other law, the District may adopt such orders, rules, or regulations as are reasonably necessary for the administration, protection, and maintenance of public property under its control, management or supervision, regarding, *inter alia*, the following matters: (i) the preservation of property, grounds and structures; (ii) restriction or limitation of the use of such public property as to time, manner, or permitted activities; (iii) prohibition of activities or conduct on public property which may be reasonably expected to substantially interfere with the use and enjoyment of such places by others or which may constitute a general nuisance; (iv) necessary sanitation, health, and safety measures; (v) camping, picnicking, assemblages, and other individual or group usages including the time, place, and manner in which such activities may be permitted; (vi) use of all vehicles as to place, time, and manner of use; and (vii) control and limitation on fires; and

WHEREAS, pursuant to § 18-9-117 (2), C.R.S., such limitations or prohibitions must be prominently posted at all public entrances to such property or such notice must be given by an officer or agency, including any agent thereof, or by any law enforcement officer having jurisdiction or authority to enforce the limitations, restrictions, or prohibitions; and

WHEREAS, the Board of the District has determined that it is in the best interest of the

District and the residents and property owners of the District to adopt rules and regulations in order to provide for the preservation of the health, safety, and welfare of residents, property owners, and the public.

NOW, THEREFORE, be it resolved by the Board of Directors of Southlands Metropolitan District No. 2 as follows:

1. Adoption of Rules and Regulations. The rules and regulations attached hereto as **Exhibit A** and incorporated herein by this reference (the "Rules and Regulations") are hereby adopted pursuant to § 32-1-1001(1)(m) and § 18-9-117, C.R.S.

2. Variations. The Board hereby authorizes the district manager or general counsel to grant written variances for good cause shown.

3. Amendment. The District expressly reserves the right to amend, revise, redact, and/or repeal the Rules and Regulations adopted hereby in whole or in part, from time to time in order to further the purpose of carrying on the business, objects, and affairs of the District. The foregoing shall specifically include, but not be limited to, the right to adopt new rules and regulations and/or policies and procedures as may be necessary, in the Board's discretion.

4. Effective Date. The provisions of this resolution shall take effect as of the date of this resolution.

5. Severability. If any term or provision of this resolution or if any rule or regulation is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the remainder of the resolution or rules and regulations, as a whole, but shall be severed, leaving the remaining terms or provisions in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

6. Penalties. Violators of any of the Rules and Regulations shall be subject to criminal and civil penalties.

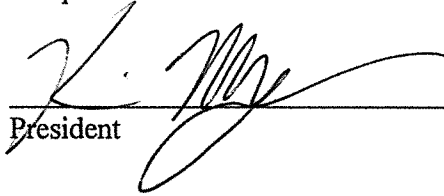
a. Criminal Remedies. Pursuant to § 18-9-117 (3)(a) and (b), any violation of the Rules and Regulations is unlawful and violators shall be subject to criminal penalties enforceable by authorized law enforcement officers.

b. Civil Penalties. A violation of any of the Rules and Regulations is subject to any and all civil remedies available to the District under Title 32, C.R.S. or other applicable laws, including a civil penalty hereby imposed in the amount of \$50 for the first violation, \$100 for the second violation, and \$250 for the third and subsequent violations, and actual costs and attorneys' fees incurred by the District. The District may collect such penalties, charges, costs and fees by any means authorized by law.

[Signature page follows]

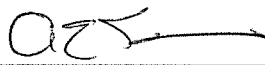
RESOLVED AND ADOPTED this 15th day of June, 2015.

**SOUTHLANDS METROPOLITAN
DISTRICT NO. 2**, a quasi-municipal corporation
and political subdivision of the State of Colorado



President

ATTEST:



Secretary

APPROVED AS TO FORM:
WHITE, BEAR & ANKELE,
Professional Corporation

General Counsel to the District (s)

Signature page to Resolution Adopting Rules and Regulations.

EXHIBIT A
Rules and Regulations

The following Rules and Regulations are hereby approved and adopted by the Board of Directors of Southlands Metropolitan District No. 2.

It shall be unlawful for any person to:

General Rules

1. To enter, use, or occupy any public areas during the time such areas, or any portions thereof, are closed to entry, use, or occupancy, including seasonal closures, unless approved in writing by the District Manager, the Board, or General Counsel.
2. To enter, use or occupy any District property between 11:00 p.m. and 6:00 a.m. unless authorized by a written permit or approved in writing by the District Manager, the Board, or General Counsel.
3. To remove, destroy, vandalize, deface, or damage any building, structure, facility, sign, equipment, fences, gates or locks located on or regulating access to District property.
4. To construct, place, or maintain any kind of road, trail, structure, sign, fence, marker, enclosure, communication equipment or other improvement within or upon any District property without written approval from the District Manager, the Board, or General Counsel.
5. To deposit or leave any refuse, trash, litter, household, or construction debris, or commercial garbage or trash, except by depositing such trash, refuse, litter and debris in refuse receptacles specifically designed for such purpose.
6. To install landscaping improvements extending onto District property including, but not limited to, irrigation, landscape materials, shrub and tree planting, gardening, landscape related structures, and retaining walls.
7. To bicycle, skateboard or rollerblade on District property except on designated trails, sidewalks and/or roadways.
8. To solicit, picket, protest or distribute literature without prior approval of the District Manager, the Board, or General Counsel and the securing of any required permits.
9. To tamper with, remove, or vandalize any life safety equipment on District property (i.e. fire extinguishers, smoke detectors, fire alarms, lifeguard equipment, etc.).
10. To loiter on or within or to block ingress and/or egress to or from District property.
11. To amplify sound by any means, including but not limited to the use of loudspeakers, public address systems, radios and/or stereo systems, within any District property without

written approval of the District Manager, the Board, or General Counsel.

12. To wear apparel commonly recognized as gang-related.
13. To engage in any activity that unreasonably endangers the health, safety, and welfare of any person, animal, or property.
14. To engage in disorderly conduct within District property, including:
 - a. Addressing abusive language or threats to any person present which creates a clear and present danger of violence;
 - b. Fighting with another;
 - c. Making unreasonable noise;
 - d. Any conduct defined as disorderly conduct pursuant to §18-9-106(1) C.R.S.
15. To build, start, or light any fire at any location, of any nature, except within properly approved and designated areas (i.e. park grills, etc.), or to leave any fire unattended, or to fail to comply with any fire bans.
16. To install any structure including, but not limited to, tents, booths, stands, awnings, tree houses, rope swings, inflatable amusements and canopies, except as may otherwise be approved by the District Manager, the Board, or General Counsel, with the exception that temporary awnings and/or umbrellas for shade are permitted as long as such temporary structures do not exceed 25 square feet, are not left unattended, and are removed when the visitor leaves.
17. To place or post signs of any type on District property without prior approval by the District Manager, the Board, or General Counsel.
18. To stick or place any handbill, poster, placard, sticker, or painted or printed matter upon any District property, including, but not limited to, any fence, power or light pole, telephone pole or other District structure.
19. To golf or hit golf balls onto or within any District property.
20. To camp within any District property.
21. To swim, wade, or operate any boat or other flotation device in waters within any District property.
22. To possess or use any glass bottle or container on District property.
23. To use any District property for any private enterprise or to sell or offer for sale any tangible or intangible goods or services on District property without prior approval by the District Manager, the Board, or General Counsel and the securing of any required permits.
24. To hold any public meeting, gathering, or other scheduled event, public or private, which

the sponsor reasonably anticipates will be attended by 10 or more persons without prior written approval by the District Manager, the Board, or General Counsel, and the securing of any required permits.

25. To interfere or attempt to interfere with any authorized law enforcement, security, or District personnel, or to give false or misleading information with the intent to mislead said persons in the performance of their duties.

Drugs, Alcohol, Marijuana, Etc.

26. To sell, possess or consume any illegal drugs or controlled substances prohibited under any section of the Colorado Revised Statutes on District property.
27. To sell, serve, dispense, or consume any alcoholic beverage or possess an open container of any alcoholic beverage on District property.
28. To sell or consume any tobacco product of any kind on District property.
29. To sell, possess, use, or display marijuana and/or marijuana related products on District property.

Firearms, Weapons, Fireworks, Etc.

30. To knowingly possess an unconcealed firearm of any description, or a concealed firearm of any description, unless authorized to do so pursuant to C.R.S. § 18-12-214, or any rifle, spring-gun, bow and arrow, crossbow, sling, paintball gun, air soft gun, blowgun or any other weapon potentially inimical to wildlife or dangerous to human safety, or any instrument that can be loaded with and fire blank cartridges, or any trapping device.
31. To discharge explosives or fireworks or operate or launch model rockets or other devices which use an explosive charge.
32. To use any model remote or radio controlled boat, aircraft, car, truck or other similar device on or within any District property

Vehicles

33. To park any motor vehicles, trailers, or campers except in designated parking lots.
34. To park any motor vehicles, trailers, or campers between the hours of 11:00 p.m. and 6:00 a.m. on any District property.
35. To park any semi or commercial trucks on or within any District property or parking lots within any District property without written approval of the District Manager, the Board, or General Counsel.
36. To operate any motorized vehicle on or within any District property, except on public

roads or within public parking areas. Emergency, maintenance, and patrol vehicles are specifically excluded.

Plants, Animals, Etc.

37. To allow domestic pets to roam on District property, except when restrained by a leash and under direct control of a person physically able to control the domestic pet.
38. To allow domestic pets to harm, kill, chase, or otherwise harass any wild animal, bird, fish, reptile or amphibian within any District property.
39. To leave any domestic pet unattended within any District property.
40. To allow any domestic pet to enter any water feature, pond, fountain or the like on or within District property.
41. To leave on any District property, except in designated trash receptacles, or in any waters within such property, the fecal matter of any animal that one owns, possesses, or keeps.
42. To relocate or release animals, fish, birds or insects onto any District property without written approval of the District Manager, the Board, or General Counsel.
43. To hunt, shoot, kill, injure, trap or maim any animal while on District property.
44. To feed any wildlife on District property.
45. To permit any livestock to graze, or remain to graze, on District property.
46. To install landscaping improvements extending onto District property including, but not limited to, irrigation, landscape materials, shrub and tree planting, gardening, landscape related structures, and retaining walls.
47. To knowingly mar, mutilate, deface, disfigure, remove, or injure beyond normal use any rocks, trees, shrubbery, flowers, wildflowers or other features of the natural environment.

EXHIBIT B



PK Kaiser, MBA, MS

Assessor

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](http://www.arapahoegov.com/assessor)
assessor@arapahoegov.com

November 25, 2020

AUTH 4643 SOUTHLANDS METRO DIST 2
SPECIAL DISTRICT MANAGEMENT
SERVICES INC
C/O ANN E FINN
141 UNION BLVD SUITE 150
LAKEWOOD CO 80228

Code # 4643

CERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2020 of:

\$12,323,017

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

enc

CERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity

 YES NO

Date: November 25, 2020

NAME OF TAX ENTITY: SOUTHLANDS METRO DIST 2

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 2020:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1. \$	12,734,228
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2. \$	12,323,017
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$	12,323,017
5. NEW CONSTRUCTION: *	5. \$	0
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.): ☉	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. \$	58,036

‡ 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.

☉ 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 2020:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1. \$	162,513,017
ADDITIONS TO TAXABLE REAL PROPERTY		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2. \$	0
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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NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT C

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

**SOUTHLANDS METROPOLITAN DISTRICT NO. 2
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/23/2020

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 562,121	\$ 993,265	\$ 1,018,270
REVENUES			
Property taxes	1,020,334	993,270	961,196
Specific ownership tax	80,991	69,800	67,283
Interest income	23,096	8,700	5,000
SARIA revenue	12,748	14,160	13,703
Operating fee	70,914	-	-
Other revenue	33	-	-
Total revenues	<u>1,208,116</u>	<u>1,085,930</u>	<u>1,047,182</u>
Total funds available	<u>1,770,237</u>	<u>2,079,195</u>	<u>2,065,452</u>
EXPENDITURES			
General and administrative	130,750	152,253	160,000
Operations and maintenance	219,724	474,010	505,000
Debt service	426,498	434,662	440,000
Total expenditures	<u>776,972</u>	<u>1,060,925</u>	<u>1,105,000</u>
Total expenditures and transfers out requiring appropriation	<u>776,972</u>	<u>1,060,925</u>	<u>1,105,000</u>
ENDING FUND BALANCES	<u>\$ 993,265</u>	<u>\$ 1,018,270</u>	<u>\$ 960,452</u>
EMERGENCY RESERVE	\$ 15,400	\$ 14,100	\$ 15,600
OPERATIONS AND MAINTENANCE RESERVE	100,000	200,000	150,000
TOTAL RESERVE	<u>\$ 115,400</u>	<u>\$ 214,100</u>	<u>\$ 165,600</u>

No assurance provided. See summary of significant assumptions.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/23/2020

ACTUAL	ESTIMATED	BUDGET
2019	2020	2021

ASSESSED VALUATION

Residential	\$ 9,466,560	\$ 12,319,450	\$ 11,585,860
State assessed	1,824,560	169,290	496,690
Vacant land	135,865	135,865	135,865
Personal property	109,647	109,623	104,602
Certified Assessed Value	\$ 11,536,632	\$ 12,734,228	\$ 12,323,017

MILL LEVY

General	33.166	33.000	38.000
Debt Service	55.277	45.000	40.000
SARIA	1.105	1.112	1.112
Total mill levy	89.548	79.112	79.112

PROPERTY TAXES

General	\$ 382,624	\$ 420,230	\$ 468,275
Debt Service	637,710	573,040	492,921
SARIA	12,748	14,160	13,703
Levied property taxes	1,033,082	1,007,430	974,899
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 1,033,082	\$ 1,007,430	\$ 974,899

BUDGETED PROPERTY TAXES

General	\$ 382,624	\$ 420,230	\$ 468,275
Debt Service	637,710	573,040	492,921
SARIA	12,748	14,160	13,703
	\$ 1,033,082	\$ 1,007,430	\$ 974,899

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/23/2020

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 466,176	\$ 626,580	\$ 468,907
REVENUES			
Property taxes	382,624	420,230	468,275
Specific ownership tax	30,355	29,500	32,779
Interest income	14,204	4,700	2,000
Other revenue	33	-	-
SARIA revenue	12,748	14,160	13,703
Operating fee	70,914	-	-
Total revenues	<u>510,878</u>	<u>468,590</u>	<u>516,757</u>
Total funds available	<u>977,054</u>	<u>1,095,170</u>	<u>985,664</u>
EXPENDITURES			
General and administrative			
Accounting	21,083	23,000	25,000
Auditing	3,450	3,500	4,000
County Treasurer's fee	5,739	6,303	7,024
County Treasurer's fee (SARIA)	191	212	200
Directors' fees	800	1,300	1,200
Dues and licenses	811	765	1,000
Insurance and bonds	26,238	23,715	30,000
District management	34,094	45,000	40,000
Legal services	22,825	30,000	30,000
Miscellaneous	2,916	3,000	7,973
Payment to SARIA	12,557	13,948	13,503
Payroll taxes	46	100	100
Election expense	-	1,410	-
Operations and maintenance			
Repairs and maintenance	20,534	5,000	25,000
Landscape maintenance & irrigation	94,418	60,000	55,000
Street lighting	2,532	55,000	10,000
Utilities	14,121	25,000	15,000
Detention pond	2,203	3,000	100,000
Security	-	-	30,000
Snow removal	1,535	5,000	10,000
Playground improvements	82,550	296,010	-
Landscape architect	1,831	20,000	10,000
Tree replacement/arborist/tree care program	-	5,000	60,000
Landscape renovation	-	-	160,000
Monument	-	-	30,000
Total expenditures	<u>350,474</u>	<u>626,263</u>	<u>665,000</u>
Total expenditures and transfers out requiring appropriation	<u>350,474</u>	<u>626,263</u>	<u>665,000</u>
ENDING FUND BALANCES	<u>626,580</u>	<u>468,907</u>	<u>320,664</u>
EMERGENCY RESERVE	\$ 15,400	\$ 14,100	\$ 15,600
OPERATIONS AND MAINTENANCE RESERVE	100,000	200,000	150,000
TOTAL RESERVE	<u>\$ 115,400</u>	<u>\$ 214,100</u>	<u>\$ 165,600</u>

No assurance provided. See summary of significant assumptions.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/23/2020

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 95,945	\$ 366,685	\$ 549,363
REVENUES			
Property taxes	637,710	573,040	492,921
Specific ownership tax	50,636	40,300	34,504
Interest income	8,892	4,000	3,000
Total revenues	<u>697,238</u>	<u>617,340</u>	<u>530,425</u>
Total funds available	<u>793,183</u>	<u>984,025</u>	<u>1,079,788</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	9,566	8,596	7,394
Contingency	-	-	7,110
Loan interest - Series 2018A	127,972	123,760	96,390
Loan interest - Series 2018B	120,960	117,306	113,106
Loan principal - Series 2018A	81,000	85,000	113,000
Loan principal - Series 2018B	87,000	100,000	103,000
Total expenditures	<u>426,498</u>	<u>434,662</u>	<u>440,000</u>
Total expenditures and transfers out requiring appropriation	<u>426,498</u>	<u>434,662</u>	<u>440,000</u>
ENDING FUND BALANCES	<u>\$ 366,685</u>	<u>\$ 549,363</u>	<u>\$ 639,788</u>

No assurance provided. See summary of significant assumptions.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was organized by court order dated December 3, 2002, to provide financing for the design, acquisition, construction and installation of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, and sewer and drainage facilities, and the operation and maintenance of the District. The District's service area is located entirely in Arapahoe County, Colorado in the City of Aurora.

The District operates under the Service Plan as approved by the City of Aurora.

On November 5, 2002, the electorate authorized general obligation debt in the amount of \$22,400,000. Debt is subject to the terms of the Service Plan. On November 5, 2002, the electorate also approved the removal of limitations imposed by the TABOR Amendment and any other law that purports to limit the District's revenue or expenditures and a \$630,000 annual property tax increase for operations.

Pursuant to the District's Service Plan, the amount of debt that can be issued is \$40,000,000.

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 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.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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.

Interest Income

Interest earned on the District's available funds has been estimated based on an interest rate of approximately 0.5%.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

County Treasurer's Collection Fees

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

Series 2018 Refunding Loan

On April 13, 2018, the District refunded its General Obligation Bonds, Series 2010A and Limited Tax Obligation Subordinate Bonds, Series 2010B, by the issuance of \$2,510,000 Taxable (convertible to tax-exempt on December 1, 2020) Refunding Loan, Series 2018A, and \$3,181,000 Tax-Exempt Refunding Loan, Series 2018B. Series 2018A Loan is due December 1, 2035, at interest rates of 5.200% through December 1, 2020 and 4.200% through December 1, 2035. Series 2018B Loan is due December 1, 2035, at an interest rate of 4.200%. The proceeds of Series 2018A were used to establish an irrevocable trust account (the "Refunding Escrow") to refund Series 2010A on December 1, 2020, which is the date they may be redeemed prior to their maturity. The proceeds of Series 2018B were used to pay the principal and interest on the Series 2010B at the call date of April 13, 2018.

Interest payments on Series 2018 Refunding Loan (the "Loan") are due June 1 and December 1 of each year, commencing June 1, 2018. All interest due and payable shall be calculated on the basis of a 360-day year of twelve 30-day months. Interest not paid when due shall compound on each June 1 and December 1 at the then-applicable interest rate. The District may prepay all or part of the principal of either or both of the Loan coming due on any December 1, upon two business days' prior written notice to NBH Bank (the "Lender") of the amount of such prepayment, plus payment of the applicable prepayment fee, if any, in minimum increments of \$500,000. A prepayment fee may be due as a condition of such prepayment, which shall be calculated pursuant to the Loan Agreement.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 2
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Series 2018 Refunding Loan (continued)

The Loan is payable from Pledged Revenues, including the District's covenant to levy the required mill levy on all taxable property within the District to pay for debt service payments as well as a portion of specific ownership taxes collected by the District as a result of the imposition of the required mill levy; and other legally available moneys which the Board determines in its sole discretion. 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 the principal of and interest on the Loan when due, and if necessary, an amount sufficient to fund or replenish the Reserve Fund to the amount of \$517,277 (the "Maximum Reserve Fund Amount"). For so long as the Reserve Fund is less than the Maximum Reserve Fund Amount, such mill levy shall not be less than 50.000 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation). The maximum required mill levy has been adjusted upwards to 55.651 mills.

Debt and Leases

The District's current debt service schedules are attached. The District has no operating or capital leases.

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2021, as defined under TABOR when actual revenue is received.

This information is an integral part of the accompanying budget.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$2,510,000 Taxable (Convertible to Tax-Exempt) Refunding Loan
Series 2018A
Dated April 14, 2018
Principal due December 1
Interest Rate 4.200% - 5.200% Payable
June 1 and December 1**

Year Ended December 31,	Principal	Interest	Total
2021	\$ 113,000	\$ 96,390	\$ 209,390
2022	118,000	91,644	209,644
2023	123,000	86,688	209,688
2024	128,000	81,522	209,522
2025	133,000	76,146	209,146
2026	139,000	70,560	209,560
2027	144,000	64,722	208,722
2028	151,000	58,674	209,674
2029	157,000	52,322	209,322
2030	163,000	45,738	208,738
2031	170,000	38,892	208,892
2032	177,000	31,752	208,752
2033	185,000	24,318	209,318
2034	193,000	16,548	209,548
2035	201,000	8,442	209,442
	<u>\$ 2,295,000</u>	<u>\$ 844,358</u>	<u>\$ 3,139,358</u>

No assurance provided. See summary of significant assumption.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$3,181,000 Tax-Exempt Refunding Loan

Series 2018B

Dated April 14, 2018

Principal due December 1

Interest Rate 4.200% Payable

December 15

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 103,000	\$ 113,106	\$ 216,106
2022	116,000	108,780	224,780
2023	120,000	103,908	223,908
2024	134,000	98,868	232,868
2025	140,000	93,240	233,240
2026	155,000	87,360	242,360
2027	162,000	80,850	242,850
2028	177,000	74,046	251,046
2029	184,000	66,612	250,612
2030	202,000	58,884	260,884
2031	210,000	50,400	260,400
2032	228,000	41,580	269,580
2033	237,000	32,004	269,004
2034	257,000	22,050	279,050
2035	268,000	11,256	279,256
	<u>\$ 2,693,000</u>	<u>\$ 1,042,944</u>	<u>\$ 3,735,944</u>

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 216,000	\$ 209,496	\$ 425,496
2022	234,000	200,424	434,424
2023	243,000	190,596	433,596
2024	262,000	180,390	442,390
2025	273,000	169,386	442,386
2026	294,000	157,920	451,920
2027	306,000	145,572	451,572
2028	328,000	132,720	460,720
2029	341,000	118,934	459,934
2030	365,000	104,622	469,622
2031	380,000	89,292	469,292
2032	405,000	73,332	478,332
2033	422,000	56,322	478,322
2034	450,000	38,598	488,598
2035	469,000	19,698	488,698
	<u>\$ 4,988,000</u>	<u>\$ 1,887,302</u>	<u>\$ 6,875,302</u>

No assurance provided. See summary of significant assumption.