# SOUTHLANDS METROPOLITAN DISTRICT NO. 2

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

# NOTICE OF A SPECIAL MEETING AND AGENDA

Website: https://southlandsmetrodistrict2.com/

Board of Directors: Kathy Barela Paulette Martin Meredith Fish VACANT VACANT Ann Finn Office: President Treasurer Assistant Secretary Term/Expires: 2027/May 2027 2025/May 2025 2025/May 2025 2025/May 2025 2027/May 2025

Secretary

DATE:June 8, 2023TIME:1:00 p.m.LOCATION:Zoom Meeting

This meeting will be held via Zoom and can be joined through the directions below:

https://us02web.zoom.us/j/87332080934?pwd=T0xaMjhYZDY0SVgwbC9lb3gvNEJaUT09

# Phone: 1 (669) 900-6833 Meeting ID: 873 3208 0934 Passcode: 359391 One tap mobile: +16699006833,,87332080934#,,,,\*359391#

# I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

- B. Approve Agenda, confirm location of the meeting and posting of meeting notices.
- C. Review and approve Minutes of the March 9, 2023 Regular Meeting and April 17, 2023 Special Meeting (enclosures).

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E. Consider appointment of Officers:

President	
Treasurer	
Secretary	
Asst. Secreta	ary
Asst. Secreta	ary
Asst. Secreta	ary

F. Consider authorizing interested Board Members to attend the 2023 Special District Association's Annual Conference in Keystone on September 12, 13 and 14, 2023.

# II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes per person.
- III. CONSENT AGENDA These items are considered to be routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board member so requests, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.

# IV. FINANCIAL MATTERS

A. Review and ratify approval of the payment of claims for the periods ending as follows (enclosures):

Fund	Period Ending March 31, 2023		Period Ending April 30, 2023	Period Ending May 31, 2023			
General	\$	8,680.16	\$ 34,235.69	\$	41,113.91		
Debt Service	\$	-0-	\$ -0-	\$	-0-		
Capital Projects	\$	-0-	\$ -0-	\$	-0-		
Total Claims	\$	8,680.16	\$ 34,235.69	\$	41,113.91		

B. Review and accept unaudited financial statements for the period ending April 30, 2023 and accept Cash Position Schedule, dated April 30, 2023 updated June 1, 2023 (enclosure).

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- C. Consider approval of draft 2022 Audit (enclosure) and approval of execution of Representations Letter.
- D. Consider appointment of the District Accountant to prepare the 2024 Budget and set the date for a Public Hearing to adopt the 2024 Budget for November 9, 2023, at 9:00 a.m., to be held via Zoom.

# V. LEGAL MATTERS

- A. Ratify approval of First Amendment to the Independent Contractor Agreement with Storm Water Asset Protection for stormwater inspection and maintenance services (enclosure).
- B. Discuss Murphy Creek Trail Alignment (enclosure).

# VI. CAPITAL IMPROVEMENTS

A. Discuss Entry Monument Project.

# VII. OPERATIONS AND MAINTENANCE

- A. Maintenance Report:
  - 1. Discuss status of street repair work.
  - 2. Discuss Notice of Violation concerning graffiti.
  - 3. Discuss Tree Warranty/Replacements.
  - 4. Other.

#### VIII. OTHER BUSINESS

A.

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# IX. ADJOURNMENT <u>THE NEXT REGULAR MEETING IS SCHEDULED FOR</u> NOVEMBER 9, 2023 ~ BUDGET HEARING

# **RECORD OF PROCEEDINGS**

# MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 2 HELD MARCH 9, 2023

A Regular Meeting of the Board of Directors (referred to hereafter as "Board") of the Southlands Metropolitan District No. 2 (referred to hereafter as "District") was convened on Thursday, the 9th day of March, 2023, at 1:00 p.m., via Zoom Meeting. The meeting was open to the public.

# ATTENDANCE Directors In Attendance Were:

Kathy Barela Paulette Martin Meredith Fish

# Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Clint C. Waldron, Esq.; White Bear Ankele Tanaka & Waldron P.C.

Katherine Suhanyi; CliftonLarsonAllen, LLP

# DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosure of Potential Conflicts of Interest**: Ms. Finn noted that a quorum was present. Attorney Waldron reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Attorney Waldron inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the Board to act.

# ADMINISTRATIVE<br/>MATTERSAgenda:Ms. Finn distributed for the Board's review and approval a proposed<br/>Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Barela, seconded by Director Martin and, upon vote, unanimously carried, the Board approved the Agenda.

<u>Meeting Location/Manner and Posting of Meeting Notice</u>: The District Board meeting was held via Zoom.

Ms. Finn reported that notice was duly posted and that no objections to the telephonic manner of the meeting or any requests that the telephonic manner of the meeting be changed by electors within the District boundaries have been received.

<u>Minutes</u>: The Board reviewed the Minutes of the November 10, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Fish, seconded by Director Martin and, upon vote, unanimously carried, the Minutes of the November 10, 2022 Special Meeting were approved as presented.

<u>New Website</u>: Ms. Finn informed the Board a new website has been created and is available for review. Director Barela noted she will remove the old website.

**<u>PUBLIC COMMENTS</u>** There were no public comments at this time.

**<u>CONSENT AGENDA</u>** The Board considered the following actions:

• Ratify approval of Independent Contractor Agreement with Animal & Pest Control Specialist, Inc. for pest control services.

Following discussion, upon motion duly made by Director Fish, seconded by Director Martin and, upon vote, unanimously carried, the Board approved and ratified approval of the Consent Agenda items.

<u>FINANCIAL</u> MATTERS <u>Claims</u>: The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period Ending Nov. 30, 2022		eriod Ending Dec. 31, 2022	eriod Ending Jan 31, 2023	Period Ending Feb. 28, 2023		
General	\$	14,542.93	\$ 42,575.97	\$ 11,545.86	\$	12,623.56	
Debt Service	\$	-0-	\$ -0-	\$ -0-	\$	-0-	
Capital Projects	\$	-0-	\$ -0-	\$ -0-	\$	-0-	
<b>Total Claims</b>	\$	14,542.93	\$ 42,575.97	\$ 11,545.86	\$	12,623.56	

Following discussion, upon motion duly made by Director Fish seconded by Director Martin and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

<u>Unaudited Financial Statements and Schedule of Cash Position</u>: Ms. Suhanyi reviewed with the Board the unaudited financial statements for the period ending December 31, 2022 and Cash Position Schedule, dated December 31, 2022 updated March 1, 2023.

Following review and discussion, upon motion duly made by Director Fish, seconded by Director Barela and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending December 31, 2022 and Cash Position Schedule, dated December 31, 2022 updated March 1, 2023.

# **LEGAL MATTERS** <u>May 2023 Election</u>: Attorney Waldron reported the May 2023 election was cancelled.

<u>City of Aurora's Murphy Creek Trail Project ("Project")</u>: Attorney Waldron reported to the Board that JR Engineering, LLC has been engaged by the City of Aurora for design services for the Murphy Creek Trail Project. He noted the design is expected to be completed in the fall with construction scheduled for spring 2024. <u>South Aurora Regional Improvement Authority ("SARIA")</u>: Attorney Waldron and Director Barela reported SARIA is considering options for financing the Master Plan Phase 3 Public Improvements.

# CAPITAL<br/>IMPROVEMENTSMonument Project ("Project"): Ms. Finn provided an update on the status of the<br/>Project. The Board reviewed a proposal from Apex Sign Co LLC d/b/a Ad Light<br/>Group for manufacturing the monument. It was noted Ms. Dominguez from<br/>Architerra Group will be providing a quote for the installation.

Attorney Waldron noted he will prepare a Project Manual for the Project.

Following review and discussion, upon motion duly made by Director Fish, seconded by Director Martin, and upon vote, unanimously carried, the Board approved the proposal from Apex Sign Co LLC d/b/a Ad Light Group for manufacturing the monument, for the amount of \$49,787.21.

Following additional discussion, the Board authorized Director Barela to approve and execute the contract for installation of the monument, once a recommendation and proposal has been submitted to the Board by Ms. Dominguez.

# **RECORD OF PROCEEDINGS**

<b>OPERATIONS</b>	<u>Landscape Maintenance Report (Keesen Landscape Management Inc</u>									
AND MAINTENANCE	<i><u>Fence Repair Work</u></i> : Ms. Finn noted the fence repair work has been completed.									
<u>MATTERS</u>	<i><u>Graffiti Removal</u></i> : Ms. Finn noted the graffiti removal is underway and will be completed by the end of March.									
	Tree Care: Ms. Finn noted the deep root feeding has been scheduled for next week.									
	, <u><i>Doogie Station Maintenance</i></u> : Ms. Finn noted Keesen Landscape Services will be maintaining the doggie stations going forward.									
	<b>Proposal from ALC Property Maintenance, Inc. for Street Repair Work</b> : Ms. Finn reviewed with the Board a proposal from ALC Property Maintenance, Inc. for street repair work.									
	Following review and discussion, upon motion duly made by Director Barela, seconded by Director Fish, and upon vote, unanimously carried, the Board approved the proposal from ALC Property Maintenance, Inc. for street repair work, for the amount of \$101,298.00.									
	<b><u>Playground Inspection Report</u></b> : Ms. Finn noted the parts for the repairs and stickers have been ordered and graffiti is scheduled for removal.									
	<b>Detention Pond Maintenance</b> : Ms. Finn presented to the Board a proposal from Storm Water Asset Protection, LLC for 2023 Stormwater Inspection and Reporting Services.									
	Following review and discussion, upon motion duly made by Director Barela, seconded by Director Fish, and upon vote, unanimously carried, the Board approved the proposal from Storm Water Asset Protection, LLC.									
OTHER BUSINESS	There was no other business.									
<u>ADJOURNMENT</u>	There being no further business to come before the Board at this time, upon motion duly made by Director, seconded by Director and, upon vote, unanimously carried, the meeting was adjourned.									
	Respectfully submitted,									

Secretary for the Meeting

# MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 2 HELD APRIL 17, 2023

A Special Meeting of the Board of Directors (referred to hereafter as "Board") of the Southlands Metropolitan District No. 2 (referred to hereafter as "District") was convened on Monday, the 17th day of April, 2023, at 1:00 p.m., via Zoom Meeting. The meeting was open to the public.

# ATTENDANCE Directors In Attendance Were:

Kathy Barela Paulette Martin Meredith Fish

# Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Clint C. Waldron, Esq.; White Bear Ankele Tanaka & Waldron P.C.

Lesanne Dominquez; Architerra Group

# DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosure of Potential Conflicts of Interest**: Ms. Finn noted that a quorum was present. Attorney Waldron reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Attorney Waldron inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the Board to act.

# ADMINISTRATIVE<br/>MATTERSAgenda:Ms. Finn distributed for the Board's review and approval a proposed<br/>Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Fish, seconded by Director Martin and, upon vote, unanimously carried, the Board approved the Agenda.

<u>Meeting Location/Manner and Posting of Meeting Notice</u>: The District Board meeting was held via Zoom.

Ms. Finn reported that notice was duly posted and that no objections to the telephonic manner of the meeting or any requests that the telephonic manner of the meeting be changed by electors within the District boundaries have been received.

**<u>PUBLIC COMMENTS</u>** There were no public comments at this time.

# <u>CAPITAL</u> <u>Monument Project ("Project")</u>: IMPROVEMENTS

<u>*Review Bids*</u>: Ms. Dominguez reviewed bids for the Monument Project from Arrow J Landscape & Design, Inc. and Colorado Designscapes, Inc.

<u>Notice of Award, Notice to Proceed and Contract</u>: The Board entered into discussion regarding the bids.

Following review and discussion, upon motion duly made by Director Barela, seconded by Director Fish, and upon vote, unanimously carried, the Board awarded the contract to Colorado Designscapes, Inc. as the lowest responsive and responsible bidder and authorized Ms. Dominguez to issue a Notice of Award and Notice to Proceed to the contractor for the amount of \$78,000.

**Independent Contractor Agreement between the District and Apex Sign Co LLC d/b/a Ad Light Group for the Entry Monument Installation**: The Board reviewed an Independent Contractor Agreement between the District and Apex Sign Co LLC d/b/a Ad Light Group for the Entry Monument Installation.

Following review and discussion, upon motion duly made by Director Fish, seconded by Director Barela, and upon vote, unanimously carried, the Board approved the Independent Contractor Agreement between the District and Apex Sign Co LLC d/b/a Ad Light Group for the Entry Monument Installation, for the amount of \$49,787.21.

# OPERATIONS AND MAINTENANCE MATTERS

**Detention Pond**: Ms. Finn noted the beavers have been removed from the detention pond and the detention pond maintenance is currently underway.

<u>**Tree Care**</u>: Ms. Finn noted the tree warranty walk is scheduled for April 19, 2023 with Rocky Mountain Tree Care.

**<u>Graffiti</u>**: Ms. Finn reported the graffiti has been removed from retaining walls, bridge and playground equipment.

**Doogie Station**: Ms. Finn reported Keesen Landscape Management will be maintaining the doggie stations. She noted Poopless Yards cannot get the insurance coverage required by the Independent Contractor Agreement.

<u>Street Repair Work</u>: Ms. Finn reported to the Board she is working on scheduling the street repair work.

**<u>Gazebo</u>**: The Board entered into discussion regarding painting the gazebo.

Following review and discussion, upon motion duly made by Director Martin, seconded by Director Barela, and upon vote, unanimously carried, the Board authorized Director Fish to approve a proposal to paint the gazabo.

**ADJOURNMENT** There being no further business to come before the Board at this time, upon motion duly made by Director Barela, seconded by Director Fish and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: \_\_\_\_\_

Secretary for the Meeting

#### Southlands Metropolitan District No. 2 March-23

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number	Department
City of Aurora	A051525 02/2023	3/10/2023	3/10/2023	\$ 28.90	Utilities	7701	General & Administrative
CliftonLarsonAllen LLP	3569996	1/31/2023	1/31/2023	\$ 1,147.05	Accounting	7000	General & Administrative
Consolidated Divisions Inc.	2008434	2/16/2023	3/3/2023	\$ 1,072.23	Snow removal	7595	General & Administrative
Consolidated Divisions Inc.	2008503	2/18/2023	3/5/2023	\$ 1,386.50	Snow removal	7595	General & Administrative
Diversified Underground, Inc.	27226	2/28/2023	2/28/2023	\$ 80.00	Miscellaneous	7480	General & Administrative
Full Spectrum Lighting/ KDM industries Inc.	31134	3/14/2023	3/14/2023	\$ 100.00	Streets	7855	General & Administrative
Recreation Plus	26145	3/6/2023	3/6/2023	\$ 517.04	Parks and recreation	7600	General & Administrative
Special District Management Services, Inc.	Feb-23	2/28/2023	2/28/2023	\$ 2,147.27	District management	7440	General & Administrative
Utility Notification Center of Color	223021224	2/28/2023	2/28/2023	\$ 2.58	Miscellaneous	7480	General & Administrative
White, Bear & Ankele	26875	2/28/2023	2/28/2023	\$ 864.08	Election	7581	General & Administrative
White, Bear & Ankele	26875	2/28/2023	2/28/2023	\$ 1,198.24	Legal	7460	General & Administrative
Xcel Energy	820220501	3/16/2023	4/5/2023	\$ 136.27	Utilities	107701	General & Administrative

\$ 8,680.16

# Southlands Metropolitan District No. 2 March-23

	General		Debt		Capital	Totals		
Disbursements	\$	28.90	\$	-	\$ -	\$	28.90	
Aurora Water Dept	\$	8,651.26	\$	-	\$ -	\$	8,651.26	
<b>Total Disbursements from Checking Acct</b>	\$	8,680.16	\$	-	\$ -	\$	8,680.16	

#### Southlands Metropolitan District No. 2 April-23

Vendor	Invoice #	Date	Due Date	Α	mount	Expense Account	Account Number
Animal & Pest Control Specialist, Inc.	89765	3/30/2023	3/30/2023	\$	1,500.00	Repairs and maintenance	7582
City of Aurora	A051525 03/2023	4/11/2023	4/11/2023	\$	28.90	Utilities	7701
CliftonLarsonAllen LLP	3610283	2/28/2023	2/28/2023	\$	1,251.32	Accounting	7000
Consolidated Divisions Inc.	2008665	2/24/2023	3/11/2023	\$	1,117.00	Snow removal	7595
Diversified Underground, Inc.	27410	3/31/2023	3/31/2023	\$	10.00	Miscellaneous	7480
Keesen Landscape	214460	3/1/2023	3/31/2023	\$	2,691.33	Landscaping	7585
Keesen Landscape	CEN 214462	4/21/2023	4/21/2023	\$	2,691.33	Landscaping	7585
Keesen Landscape	CEN 214464	3/1/2023	3/31/2023	\$	2,691.33	Landscaping	7585
Playground Safety Solutions, LLC	329235	4/1/2023	4/21/2023	\$	170.00	Repairs and maintenance	7582
Rocky Mountain Tree Care, Inc.	B85701	3/28/2023	3/28/2023	\$	850.00	Landscaping	7585
Rocky Mountain Tree Care, Inc.	B85669	3/27/2023	3/27/2023	\$	840.00	Landscaping	7585
Rocky Mountain Tree Care, Inc.	B85441	3/10/2023	3/10/2023	\$	1,300.00	Landscaping	7585
Schedio Group LLC	221204-1828	4/1/2023	4/21/2023	\$	1,747.30	Repairs and maintenance	7582
Special District Management Services, Inc.	Mar-23	3/31/2023	3/31/2023	\$	3,969.34	District management	7440
The Architerra Group, Inc.	7513	4/17/2023	4/17/2023	\$	4,632.10	Landscape architect	7346-42289
Utility Notification Center of Color	223031325	3/31/2023	3/31/2023	\$	2.58	Miscellaneous	7480
White, Bear & Ankele	27370	3/31/2023	3/31/2023	\$	504.30	Election	7581
White, Bear & Ankele	27370	3/31/2023	3/31/2023	\$	8,118.15	Legal	7460
Xcel Energy	824499633	4/17/2023	5/2/2023	\$	120.71	Electricity	7703

\$34,235.69

#### Southlands Metropolitan District No. 2 April-23

	General			Debt	Capital	Totals		
Disbursements	\$	34,206.79	\$	-	\$ -	\$	34,206.79	
Aurora Water Dept	\$	28.90	\$	-	\$ -	\$	28.90	
Total Disbursements from Checking Acct	\$	34,235.69	\$	_	\$ -	\$	34,235.69	

#### Southlands Metropolitan District No. 2 May-23

Vendor	Invoice #	Date	Due Date	Α	mount	Expense Account	Account Number
City of Aurora	A051525 04/2023	5/10/2023	5/10/2023	\$	59.62	Utilities	7701
CliftonLarsonAllen LLP	3666261	3/31/2023	3/31/2023	\$	1,762.35	Accounting	7000
Consolidated Divisions Inc.	2009032	4/19/2023	5/4/2023	\$	3,962.05	Repairs and maintenance	7582
Keesen Landscape	216239	4/20/2023	5/20/2023	\$	177.46	Landscaping	7585
Keesen Landscape	215837	4/1/2023	5/1/2023	\$	2,691.33	Landscaping	7585
Keesen Landscape	217119	5/1/2023	5/31/2023	\$	2,691.33	Landscaping	7585
Rocky Mountain Tree Care, Inc.	B385900	4/17/2023	4/17/2023	\$	12,625.00	Landscaping	7585
Schedio Group LLC	221204-1867	5/1/2023	5/31/2023	\$	5,228.05	Repairs and maintenance	7582
Special District Management Services, Inc.	Apr-23	4/30/2023	4/30/2023	\$	4,429.20	District management	7440
Storm Water Asset Protection Llc	1803	4/30/2023	4/30/2023	\$	4,122.51	Filing 2 1st Amendment LDA	7800
The Architerra Group, Inc.	7527	5/4/2023	5/4/2023	\$	440.00	Landscape Architect	7592-42289
White, Bear & Ankele	27858	4/30/2023	4/30/2023	\$	2,551.33	Legal	7460
White, Bear & Ankele	27858	4/30/2023	4/30/2023	\$	253.69	Election	7581
Xcel Energy	828363824	5/15/2023	5/30/2023	\$	119.99	Electricity	7703

\$ 41,113.91

#### Southlands Metropolitan District No. 2 May-23

	General	Debt	Capital	Totals
Disbursements	\$ 41,113.91	\$ -	\$ -	\$ 41,113.91
Aurora Water Dept		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$ 41,113.91	\$ -	\$ -	\$ 41,113.91

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2

# FINANCIAL STATEMENTS

April 30, 2023

# Southlands Metro District No. 2 Balance Sheet - Governmental Funds April 30, 2023

		General		Debt Service		Total
Assets Checking Account Colotrust Receivable from County Treasurer Total Assets	\$ \$	64,803.05 868,411.14 2,770.32 935,984.51	•	995,354.32 2,914.76 998,269.08	\$ \$	64,803.05 1,863,765.46 5,685.08 1,934,253.59
Liabilities Accounts Payable Total Liabilities	\$	76,777.65 76,777.65	\$	-	\$	76,777.65 76,777.65
Fund Balances		859,206.86		998,269.08		1,857,475.94
Liabilities and Fund Balances	\$	935,984.51	\$	998,269.08	\$	1,934,253.59

# Southlands Metro District No. 2 General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Period Ending April 30, 2023

	Ar	nual Budget	 Actual	 Variance
Revenues				
Property taxes	\$	519,628.00	\$ 224,177.64	\$ 295,450.36
SARIA Revenue		17,695.00	7,633.97	10,061.03
Specific ownership taxes		31,178.00	11,476.45	19,701.55
Interest income		5,000.00	12,379.50	(7,379.50)
Total Revenue		573,501.00	 255,667.56	 317,833.44
Expenditures				
Accounting		27,000.00	6,505.73	20,494.27
Auditing		4,700.00	-	4,700.00
County Treasurer's fee		7,794.00	3,362.84	4,431.16
County Treasurer's Fee (SARIA)		265.00	114.52	150.48
Payment to SARIA		17,430.00	7,519.45	9,910.55
Directors' fees		1,500.00	300.00	1,200.00
Dues and membership		1,000.00	742.12	257.88
Insurance		25,000.00	24,310.00	690.00
District management		45,000.00	13,591.59	31,408.41
Legal		35,000.00	13,415.99	21,584.01
Miscellaneous		8,211.00	250.32	7,960.68
Security		30,000.00	-	30,000.00
Payroll taxes		100.00	22.95	77.05
Election		5,000.00	2,276.02	2,723.98
Repairs and maintenance		75,000.00	6,929.34	68,070.66
Landscaping		50,000.00	10,942.78	39,057.22
Streets repairs and maintenance		30,000.00	-	30,000.00
Landscape Architect		20,000.00	5,484.60	14,515.40
Detention Pond		45,000.00	8,084.56	36,915.44
Tree Replacement/Arborist/Tree Care Program		35,000.00	15,615.00	19,385.00
Snow removal		12,000.00	5,953.73	6,046.27
Monument		100,000.00	-	100,000.00
Murphy Creek Trail		50,000.00	-	50,000.00
Street Lighting		10,000.00	400.00	9,600.00
Utilities		35,000.00	637.66	34,362.34
Total Expenditures		670,000.00	 126,459.20	 543,540.80
Net Change in Fund Balances		(96,499.00)	129,208.36	(225,707.36)
Fund Balance - Beginning		609,835.00	 729,998.50	 (120,163.50)
Fund Balance - Ending	\$	513,336.00	\$ 859,206.86	\$ (345,870.86)

# SUPPLEMENTARY INFORMATION

# Southlands Metro District No. 2 Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Period Ending April 30, 2023

	Α	nnual Budget	 Actual	 Variance
Revenues Property taxes	\$	546,977.00	\$ 235,976.53	\$ 311,000.47
Specific ownership taxes Interest income		32,819.00 7,000.00	 12,080.49 13,462.82	20,738.51 (6,462.82)
Total Revenue		586,796.00	 261,519.84	 325,276.16
Expenditures				
County Treasurer's fee		8,205.00	3,539.84	4,665.16
Loan Interest Series 2018A		86,688.00	-	86,688.00
Loan Interest Series 2018B		103,908.00	-	103,908.00
Loan Principal Series 2018A		123,000.00	-	123,000.00
Loan Principal Series 2018B		120,000.00	-	120,000.00
Contingency		8,199.00	-	8,199.00
Total Expenditures		450,000.00	 3,539.84	 446,460.16
Net Change in Fund Balances		136,796.00	257,980.00	(121,184.00)
Fund Balance - Beginning	_	729,089.00	 740,289.08	 (11,200.08)
Fund Balance - Ending	\$	865,885.00	\$ 998,269.08	\$ (132,384.08)

#### SOUTHLANDS METROPOLITAN DISTRICT # 2 Schedule of Cash Position April 30, 2023 Updated as of June 1, 2023

	General Fund		Debt Service Fund		 Total
FirstBank - Checking Account					
Balance as of 04/30/23	\$	64,803.05	\$	-	\$ 64,803.05
Subsequent activities:					
05/01/23 - Bill.com Payables		(34,206.79)		-	(34,206.79)
05/02/23 - City of Aurora (EFT)		(28.90)		-	(28.90)
05/18/23 - SARIA Payment		(7,519.45)		-	(7,519.45)
05/19/23 - Transfer from ColoTrust		45,000.00		-	45,000.00
05/24/23 - Bill.com Payables		(41,054.29)		-	(41,054.29)
05/31/23 - City of Aurora (EFT)		(59.62)		-	(59.62)
Anticipated Balance		26,934.00		-	 26,934.00
<u>Colotrust</u>					
Balance as of 04/30/23		868,411.14		995,354.32	1,863,765.46
Subsequent activities:					
05/10/23 - Tax Distribution - April		2,770.32		2,914.76	5,685.08
05/19/23 - Transfer to 1st Bank		(45,000.00)		-	(45,000.00)
Anticipated 06/01 DS Payment 2018A		-		(51,954.00)	(51,954.00)
Anticipated 06/01 DS Payment 2018B		-		(43,344.00)	(43,344.00)
Anticipated Balance		826,181.46		902,971.08	 1,729,152.54
Anticipated Balances	\$	853,115.46	\$	902,971.08	\$ 1,756,086.54

#### Current Yield - 04/30/23

Colotrust - 5.0273%

#### SOUTHLANDS METROPOLITAN DISTRICT # 2 Property Taxes Reconciliation 2023

	Current Year								Prior Year								
	Property Taxes	Tax	elinquent æs, Rebates Abatements		Specific Ownership Taxes	Int	erest	Т	`reasurer's Fees	Due to County		Net mount eceived	% of Total P Taxes Rec Monthly		Total Cash Received	% of Total I Taxes Rec Monthly	
	1 4165	anu	Abatements		1 4762	Int	ciest		rees	County	N	eceiveu	wonuny	1-1-D	Receiveu		1-1-D
5	-	\$	-	\$	5,466.41	\$	-	\$	-	\$ -		5,466.41	0.00%	0.00%	5,092.46	0.00%	0
	467,707.10		-		5,536.16		-		(7,015.61)	-		466,227.65	43.13%	43.13%	261,571.04	25.21%	25
	-		-		6,948.74		-		-	-		6,948.74	0.00%	43.13%	5,809.41	0.00%	25
	81.04		-		5,605.63		-		(1.58)	-		5,685.09	0.01%	43.14%	470,254.32	45.87%	71
												-	0.00%	43.14%	298,098.29	28.92%	100
												-	0.00%	43.14%	5,144.76	0.00%	100
												-	0.00%	43.14%	5,051.99	0.00%	100
												-	0.00%	43.14%	6,624.82	0.00%	100
												-	0.00%	43.14%	5,571.56	0.00%	100
												-	0.00%	43.14%	5,323.75	0.00%	100
												-	0.00%	43.14%	5,938.68	0.00%	100
												-	0.00%	43.14%	4,801.12	0.00%	10
\$	467,788.14	\$	-	\$	23,556.94	\$	-	\$	(7,017.19)	\$ -	\$	484,327.89	43.14%	43.14%	\$ 1,079,282.20	100.00%	10

			Ta	axes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
Property Tax	Assessed Value	Mills					
General Fund	13,674,434	38.000	\$	519,628	47.92%	224,177.64	43.14%
SARIA Revenue	13,674,434	1.294		17,695	1.63%	7,633.97	43.14%
Debt Service Fund	13,674,434	40.000		546,977	50.45%	235,976.53	43.14%
			\$	1,084,300	100.00%	\$ 467,788.14	43.14%
Specific Ownership	Tax						
General Fund			\$	31,178	48.72%	11,476.45	36.81%
Debt Service Fund				32,819	51.28%	12,080.49	36.81%
			\$	63,997	100.00%	\$ 23,556.94	36.81%
Treasurer's Fees							
General Fund			\$	7,794	47.92%	3,362.84	43.15%
SARIA Revenue				265	1.63%	114.52	43.22%
Debt Service Fund				8,205	50.45%	3,539.83	43.14%
			\$	16,264	100.00%	\$ 7,017.19	43.15%

January February March April May June July August September October November December

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 2023 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 Statues 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 2023 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 6% 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 2%.

# 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 2023 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 2023, as defined under TABOR when actual revenue is received.

# 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

Year Ended	June 1 and December 1									
<u>December 31,</u>	Principal		nterest	Total						
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					
	\$ 2,064,000	\$	656,324	\$	2,720,324					

# 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

Year Ended	December 15									
<u>December 31,</u>		Principal		Interest	Total					
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				
	\$	2,474,000	\$	821,058	\$	3,295,058				

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

Year Ended					
December 31,	Principal	 Interest	Total		
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	
	\$ 4,538,000	\$ 1,477,382	\$	6,015,382	

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 Arapahoe County, Colorado

# FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

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**INSERT INDEPENDENT AUDITOR'S REPORT** 

# **BASIC FINANCIAL STATEMENTS**

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 STATEMENT OF NET POSITION DECEMBER 31, 2022

	vernmental Activities
ASSETS	
Cash and Investments	\$ 697,955
Cash and Investments - Restricted	754,527
Prepaid Expense	24,310
Receivable from County Treasurer	4,801
Property Taxes Receivable	1,084,300
Capital Assets, Net	3,671,469
Total Assets	6,237,362
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	154,405
Total Deferred Outflows of Resources	 154,405
LIABILITIES	
Accounts Payable	11,306
Accrued Interest Payable	15,883
Noncurrent Liabilities:	. 0,000
Due Within One Year	243,000
Due in More Than One Year	4,295,000
Total Liabilities	 4,565,189
	4,000,100
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	 1,084,300
Total Deferred Inflows of Resources	 1,084,300
NET POSITION	
Net Investment in Capital Assets	(866,531)
Restricted For:	
Emergency Reserves	16,700
Debt Service	724,406
Unrestricted	 867,703
Total Net Position	\$ 742,278

See accompanying Notes to Basic Financial Statements.

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2022

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Program Revenue Operating Grants and Contributions	s Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position Governmental Activities
Governmental Activities: General Government Interest and Related Costs on Long-Term Debt	\$ 703,394 228,361	\$ - 	\$ - _	\$ - 	\$ (703,394) (228,361)
Total Governmental Activities	<u>\$ 931,755</u>	<u>\$                                    </u>	<u>\$</u> -	<u>\$                                    </u>	(931,755)
	GENERAL REVEN Property Taxes Specific Ownersh Net Investment In Total Gene	1,029,718 65,010 29,456 1,124,184			
	CHANGE IN NET	POSITION			192,429
	Net Position - Begi	nning of Year			549,849
	NET POSITION - E	END OF YEAR			\$ 742,278

See accompanying Notes to Basic Financial Statements.

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2022

ASSETSS697,955Cash and InvestmentsS697,955Prepaid Expense24,310-Receivable from County Treasurer2,3332,462Property Taxes Receivable537,323546,977Total Assets\$1,278,627\$LIABILITIESAND FUND BALANCES\$1,287,286LIABILITIESAND FUND BALANCES11,306\$-AND FUND BALANCES\$11,306\$-DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES537,323546,9771,084,300Property Tax Revenue537,323546,9771,084,300Total Defered Inflows of Resources537,323546,9771,084,300FUND BALANCESS1,1,306-24,310Prepaid Expense24,310-24,310Restricted For: Emregrong Reserves16,700-16,700Prepaid Expense96,499-96,499-Assigned To: Subsequent Year's Expenditures96,499-96,499Unassigned: General Government592,489-592,489Total Liabilities, Deferred Inflows of Resources, and Fund Balances\$1,278,027\$Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets, Net3,671,4693,671,469Other long-term assets are not available to pay for current period expenditures on Learns Payable154,6371,470,287Other long-term period and, therefore, are not due and pay			General	Debt Service	Go	Total overnmental Funds
Cash and Investments - Restricted       16,700       773,227       744,527         Prepaid Expense       24,310       -       24,310         Property Taxes Receivable       537,323       546,977       1,084,300         Total Assets       \$ 1,278,627       \$ 1,287,266       \$ 2,565,893         LIABILITES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES       \$ 11,306       \$ -       \$ 11,306         Property Taxe Revenue Total Labilities       \$ 11,306       \$ -       \$ 11,306         DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES       \$ 537,323       546,977       1,084,300         Property Tax Revenue Total Labilities       \$ 537,323       546,977       1,084,300         FUND BALANCES       \$ 537,323       546,977       1,084,300         Propeid Expense       24,310       -       24,310         Restricted For:       \$ 537,323       546,977       1,084,300         FUND BALANCES       \$ 740,289       740,289       740,289         Nanspendable:       \$ 740,289       740,289       740,289         Propeid Expense       \$ 6,499       \$ 592,489       -       592,489         Total Labilities, Deferred Inflows of Resources, and Fund Balances       \$ 1,276,627       \$ 1,287,266       \$ 3,671,469	ASSETS					
LABILITIES, DEFERRED INFLOWS OF RESOURCES, NDD FUND BALANCES         LABILITIES Accounts Payable Total Liabilities       \$ 11,306       \$ \$ 11,306         DEFERRED INFLOWS OF RESOURCES Total Deferred Inflows of ReSOURCES       \$ 11,306       \$ \$ 11,306         Property Tax Revenue Total Deferred Inflows of ReSOURCES       \$ 537,323       \$ 546,977       1,084,300         FUND BALANCES       \$	Cash and Investments - Restricted Prepaid Expense Receivable from County Treasurer	\$	16,700 24,310 2,339	\$ 2,462	\$	754,527 24,310 4,801
LIABILITIES         Accounts Payable       \$ 11,306       \$ - \$ 11,306         Total Labilities       \$ 37,323       \$ 546,977       1,084,300         FUND BALANCES       \$ 37,323       \$ 546,977       1,084,300         FUND BALANCES       \$ 37,323       \$ 546,977       1,084,300         FUND BALANCES       \$ 24,310       24,310         Propendiable:       \$ 24,310       1       24,310         Propendiable:       \$ 740,289       740,289       740,289         Assigned To:       \$ 96,499       9       96,499         Subsequent Year's Expenditures       \$ 96,499       9       94,499         Unassigned:       \$ 1,278,627       \$ 1,287,266       \$ 1,470,287         Total Labilities, Deferred Inflows of Resources, and Fund Balances       \$ 1,278,627       \$ 1,287,266       \$ 1,470,287         Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds.       \$ 3,671,469       \$ 3,671,469         Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.       \$ 3,671,469       \$ 3,671,469         Other long-term period and, therefore, are not reported in the funds.       \$ 3,671,469       \$ 3,671,469       \$ 3,671,469         Other long-term pe	Total Assets	\$	1,278,627	\$ 1,287,266	\$	2,565,893
Accounts Payable Total Liabilities       \$ 11,306       \$ -       \$ 11,306         DEFERRED INFLOWS OF RESOURCES       Property Tax Revenue Total Deferred Inflows of Resources       537,323       546,977       1,084,300         FUND BALANCES       8       24,310       -       24,310         Property Tax Revenue Total Deferred Inflows of Resources       24,310       -       24,310         FUND BALANCES       16,700       -       16,700         Restricted For: Emergency Reserves       16,700       -       16,700         Debt Service       96,499       -       96,499         Assigned To: Subsequent Year's Expenditures       96,499       -       96,499         Unassigned: General Government Total Liabilities, Deferred Inflows of Resources, and Fund Balances       729,998       740,289       1,470,287         Total Liabilities, not reported in the statement of net position are different because:       S       1,278,627       \$       1,287,266         Amounts reported for governmental activities in the statement of net position are different because:       3,671,469       3,671,469         Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds. Loans Payable       154,405       3,671,469         Cupital Assets, Net        154,405       15,830,000						
Property Tax Revenue Total Deferred Inflows of Resources       537,323       546,977       1,084,300         FUND BALANCES       Sonspendable:       1,084,300       1,084,300         Propeid Expense       24,310       -       24,310         Restricted For:       16,700       -       16,700         Emergency Reserves       16,700       -       16,700         Debt Service       -       740,289       740,289         Assigned To:       96,499       -       96,499         Unassigned:       General Government       592,489       -       592,489         Total Liabilities, Deferred Inflows of Resources, and Fund Balances       5       1,278,627       \$       1,287,266         Amounts reported for governmental activities in the statement of net position are different because:       S       1,278,627       \$       1,287,266         Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital Assets, Net       3,671,469       3,671,469         Other long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Loars Payable       (4,538,000)       (4,538,000)         Accrued Interest on Loans Payable       (4,538,000)       (15,883)       (15,883)	Accounts Payable	\$		\$ <u> </u>	\$	
FUND BALANCES         Nonspendable:         Prepaid Expense         Restricted For:         Emergency Reserves         Debt Service         Assigned To:         Subsequent Year's Expenditures         96,499         Unassigned:         General Government         Total Fund Balances         729,998         740,289         Assigned to:         Captal Government         592,489         Total Fund Balances         729,998         740,289         Announts reported for governmental activities in the statement of net position are different because:         Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.         Capital Assets, Net         Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.         Capital fulles, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.         Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.         Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.         Long-term liabilities, in	Property Tax Revenue					
Nonspendable:       Prepaid Expense       24,310       -       24,310         Restricted For:       16,700       -       16,700       -       16,700         Debt Service       -       740,289       740,289       740,289       740,289         Assigned To:       96,499       -       96,499       -       96,499         Unassigned:       General Government       592,489       -       592,489       -       592,489         Total Fund Balances       729,998       740,289       1,470,287       -       1,470,287         Total Fund Balances <u>592,489</u> -       592,489       -       -       592,489         Amounts reported for governmental activities in the statement of net position are different because:       -       -       3,671,469         Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.       -       3,671,469         Other long-term assets are not available to pay for current period expenditures in the funds.       154,405       -         Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.       -       -         Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not repo	Total Deferred Inflows of Resources		537,323	546,977		1,084,300
Emergency Reserves16,700-16,700Debt Service-740,289740,289Assigned To:-96,499-Subsequent Yea's Expenditures96,499-96,499Unassigned:592,489-592,489General Government592,489-592,489Total Fund Balances729,998740,2891,470,287Total Liabilities, Deferred Inflows of Resources, and Fund Balances\$1,278,627\$1,287,266Amounts reported for governmental activities in the statement of net position are different because:\$3,671,469Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital Assets, Net3,671,469Other long-term assets are not available to pay for current period expenditures and, therefore, are not available to pay for current period expenditures and, therefore, are not reported in the funds. Cost of Refunding154,405Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Loans Payable(4,538,000) (15,883)Loans Payable(4,538,000) (15,883)	Nonspendable: Prepaid Expense		24,310	-		24,310
Subsequent Year's Expenditures       96,499       -       96,499         Unassigned:       General Government       592,489       -       592,489         Total Fund Balances       729,998       740,289       1,470,287         Total Liabilities, Deferred Inflows of Resources, and Fund Balances       \$       1,278,627       \$       1,287,266         Amounts reported for governmental activities in the statement of net position are different because:       Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital Assets, Net       3,671,469         Other long-term assets are not available to pay for current period expenditures and, therefore, are recorded as expenditures in the funds. Cost of Refunding       154,405         Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Loans Payable       (4,538,000) (15,883)         Accrued Interest on Loans Payable       (4,538,000) (15,883)       (15,883)	Emergency Reserves Debt Service		16,700 -	- 740,289		
General Government       592,489       -       592,489         Total Fund Balances       729,998       740,289       1,470,287         Total Liabilities, Deferred Inflows of Resources, and Fund Balances       \$ 1,278,627       \$ 1,287,266         Amounts reported for governmental activities in the statement of net position are different because:       \$ 1,278,627       \$ 1,287,266         Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital Assets, Net       3,671,469         Other long-term assets are not available to pay for current period expenditures and, therefore, are recorded as expenditures in the funds. Cost of Refunding       154,405         Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Loans Payable       (4,538,000)         Accrued Interest on Loans Payable       (4,538,000)       (15,883)	Subsequent Year's Expenditures		96,499	-		96,499
and Fund Balances\$ 1,278,627 \$ 1,287,266Amounts reported for governmental activities in the statement of net position are different because:Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital Assets, Net3,671,469Other long-term assets are not available to pay for current period expenditures and, therefore, are recorded as expenditures in the funds. Cost of Refunding154,405Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Loans Payable(4,538,000) (15,883)	General Government	_		 - 740,289		
position are different because:Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital Assets, Net3,671,469Other long-term assets are not available to pay for current period expenditures and, therefore, are recorded as expenditures in the funds. Cost of Refunding154,405Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Loans Payable(4,538,000) (15,883)		\$	1,278,627	\$ 1,287,266		
resources and, therefore, are not reported in the funds. Capital Assets, Net 3,671,469 Other long-term assets are not available to pay for current period expenditures and, therefore, are recorded as expenditures in the funds. Cost of Refunding 154,405 Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Loans Payable (4,538,000) Accrued Interest on Loans Payable						
expenditures and, therefore, are recorded as expenditures in the funds. Cost of Refunding154,405Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Loans Payable Accrued Interest on Loans Payable(4,538,000) (15,883)	resources and, therefore, are not reported in the funds.					3,671,469
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Loans Payable Accrued Interest on Loans Payable (15,883)	expenditures and, therefore, are recorded as expenditures in					
in the current period and, therefore, are not reported in the funds. Loans Payable (4,538,000) Accrued Interest on Loans Payable (15,883)	Cost of Refunding					154,405
Net Position of Governmental Activities \$ 742,278	in the current period and, therefore, are not reported in the funds. Loans Payable					
	Net Position of Governmental Activities				\$	742,278

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2022

REVENUES	(	General		Debt Service		Total overnmental Funds
	\$	404 606	\$	520,638	\$	1 015 244
Property Taxes Specific Ownership Taxes	φ	494,606 31,672	φ	33,338	φ	1,015,244 65,010
Net Investment Income		13,109		16,347		29,456
SARIA Revenue		14,474		10,347		29,430 14,474
Total Revenues		553,861		570,323		
Total Revenues		555,601		570,525		1,124,184
EXPENDITURES						
General:						
Accounting		20,975		-		20,975
Audit		4,000		-		4,000
County Treasurer's Fees		7,419		7,810		15,229
County Treasurer's Fees (SARIA)		217		-		217
Detention Pond		2,998		-		2,998
Directors' Fees		1,200		-		1,200
District Management		36,966		_		36,966
Dues and Membership		643				643
Election		2,205		-		2,205
		2,205		-		2,205 21,491
Insurance				-		
Legal		20,371		-		20,371
Landscape Architect		22,677		-		22,677
Landscape Maintenance and Irrigation		37,319		-		37,319
Landscape Renovation		180		-		180
Repairs and Maintenance		13,671		-		13,671
Snow Removal		5,212		-		5,212
Street Lighting		1,740		-		1,740
Tree Replacement/Arborist/Tree Care Program		26,485		-		26,485
Utilities		28,670		-		28,670
Payroll Taxes		92		-		92
Payment to SARIA		14,256		-		14,256
Monument		41,322		-		41,322
Miscellaneous/Contingency		3,026		-		3,026
Debt Service:		-,				-,
Loan Principal - Series 2018A		-		118,000		118,000
Loan Interest - Series 2018A		-		91,644		91,644
Loan Principal - Series 2018B		-		116,000		116,000
Loan Interest - Series 2018B		_		108,780		108,780
Total Expenditures		313,135		442,234		755,369
		240,726		128,089		368,815
		·		·		·
Fund Balances - Beginning of Year		489,272		612,200		1,101,472
FUND BALANCES - END OF YEAR	\$	729,998	\$	740,289	\$	1,470,287

#### SOUTHLANDS METROPOLITAN DISTRICT NO. 2 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 368,815
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Capital Outlay Depreciation Expense	39,589 (429,848)
Long-term debt (e.g., bonds, developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows: Principal Payment - Series 2018A Loan Principal Payment - Series 2018B Loan	118,000 116,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Accrued Interest on Bonds - Change in Liability Amortization of Cost of Refunding	 819 (20,946)
Change in Net Position of Governmental Activities	\$ 192,429

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED DECEMBER 31, 2022

	a	Driginal nd Final Budget	A	Actual	Variance with Final Budget Positive (Negative)		
REVENUES							
Property Taxes	\$	494,622	\$	494,606	\$	(16)	
Specific Ownership Taxes		34,624		31,672		(2,952)	
Net Investment Income		300		13,109		12,809	
SARIA Revenue		14,474		14,474		-	
Total Revenues		544,020		553,861		9,841	
EXPENDITURES							
Accounting		25,000		20,975		4,025	
Audit		4,000		4,000		-	
County Treasurer's Fees		7,419		7,419		-	
County Treasurer's Fees (SARIA)		217		217		-	
Detention Pond		100,000		2,998		97,002	
Directors' Fees		1,500		1,200		300	
District Management		45,000		36,966		8,034	
Dues and Membership		1,000		643		357	
Election		3,000		2,205		795	
Insurance		25,000		21,491		3,509	
Legal		38,000		20,371		17,629	
Landscape Architect		30,000		22,677		7,323	
Landscape Maintenance and Irrigation		70,000		37,319		32,681	
Landscape Renovation		10,000		180		9,820	
Payroll Taxes		10,000		92		8,020	
Payment to SARIA		14,257		14,256		1	
Street Repairs and Striping		30,000				30,000	
Repairs and Maintenance		25,000		13,671		11,329	
Security		30,000		-		30,000	
Snow Removal		10,000		5,212		4,788	
Street Lighting		10,000		1,740		8,260	
Utilities		22,000		28,670		(6,670)	
Miscellaneous/Contingency		8,507		3,026		5,481	
Murphy Creek Trail		50,000		-		50,000	
Monument		100,000		41,322		58,678	
Tree Replacement/Arborist/Tree Care Program		35,000		26,485		8,515	
Total Expenditures		695,000		313,135		381,865	
		033,000		515,155		301,003	
NET CHANGE IN FUND BALANCE		(150,980)		240,726		391,706	
Fund Balance - Beginning of Year		392,244		489,272		97,028	
FUND BALANCE - END OF YEAR	\$	241,264	\$	729,998	\$	488,734	

## NOTE 1 DEFINITION OF REPORTING ENTITY

Southlands Metropolitan District No. 2 (the District), a quasi-municipal corporation, and political subdivision of the state of Colorado, was organized on November 18, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the city of Aurora (the City), Arapahoe County, Colorado. The District was organized 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, sewer and drainage facilities, and the operation and maintenance of the District.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization is governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees and all operations and administrative functions are contracted.

# NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

#### **Budgets**

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and other financing uses and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

#### **Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net invested in capital assets, net of related debt component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Streets	20 Years
Sanitary Sewer	50 Years
Parks and Recreation Improvements	20 Years
Playground Equipment	15 Years

#### Facilities Fees

A facilities fee in the amount of \$15,246 per gross acre is charged against all real property within the District. The facilities fee is due at the time of issuance of a building permit by the City of Aurora for development. The facilities fee constitutes a statutory and perpetual lien upon the property until paid.

#### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Cost of Bond Refunding

In the government-wide financial statements, the deferred cost of refunding is being amortized using the interest method over the life of the new debt. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

#### **Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

# <u>Equity</u>

#### Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

#### Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

#### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Equity (Continued)

Fund Balance (Continued)

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

#### NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 697,955
Cash and Investments - Restricted	 754,527
Total Cash and Investments	\$ 1,452,482

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 28,003
Investments	 1,424,479
Total Cash and Investments	\$ 1,452,482

#### **Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

## NOTE 3 CASH AND INVESTMENTS (CONTINUED)

#### **Deposits with Financial Institutions (Continued)**

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$28,003.

#### **Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	Maturity	Amount
COLOTRUST	Weighted-Average	
	Under 60 Days	\$ 1,424,479

#### NOTE 3 CASH AND INVESTMENTS (CONTINUED)

#### COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

#### NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance December 31, 2021 Increases		Decreases	Balance December 31, 2022
Capital Assets, Being Depreciated:				
Streets	\$ 4,846,804	\$-	\$-	\$ 4,846,804
Sanitary Sewer	271,905	Ψ -	Ψ <u>-</u>	271,905
Playground Equipment	378,560	-	-	378,560
Park and Recreation Improvements	3,119,046	39,589	-	3,158,635
Total Capital Assets,	0,110,010			0,100,000
Being Depreciated	8,616,315	39,589	-	8,655,904
Less Accumulated Depreciation For:				
Streets	(2,726,329)	(242,340)	-	(2,968,669)
Sanitary Sewer	(61,178)	(5,438)	-	(66,616)
Playground Equipment	(12,619)	(25,237)	-	(37,856)
Park and Recreation Improvements	(1,754,461)	(156,833)	-	(1,911,294)
Total Accumulated Depreciation	(4,554,587)	(429,848)	-	(4,984,435)
Total Capital Assets,				
Being Depreciated, Net	4,061,728	(390,259)	-	3,671,469
Capital Assets, Net	\$ 4,061,728	\$ (390,259)	\$ -	\$ 3,671,469

Depreciation expense was charged to functions/programs of the District as follows:

General Government	\$	429,848
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## NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

	 Balance at ecember 31, 2021	Add	ditions	Lo	irement of ong-Term oligations	Balance at ecember 31, 2022	C	Due Within Dne Year
Refunding Loan - Series 2018A Refunding Loan -	\$ 2,182,000	\$	-	\$	118,000	\$ 2,064,000	\$	123,000
Series 2018B Total	\$ 2,590,000	\$	-	\$	116,000 234,000	\$ 2,474,000 4,538,000	\$	120,000 243,000

# NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

#### 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. The 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. The Series 2018B Loan is due December 1, 2035, at an interest rate of 4.200%. The proceeds of the Series 2018A Loan were used to establish an irrevocable trust account (the Refunding Escrow) to refund the Series 2010A Bonds on December 1, 2020, which is the date they may be redeemed prior to their maturity. The proceeds of the Series 2018B Loan were used to pay the principal and interest on the Series 2010B Bonds at the call date of April 13, 2018.

Interest payments on the Series 2018A Loan and the Series 2018B Loan (collectively, 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 12 30-day months. Interest not paid when due shall compound on each June 1 and December 1 at the thenapplicable interest rate. The District may prepay all or part of the principal 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.

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 55.277 mills.

#### NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

#### Series 2018 Refunding Loan (Continued)

#### Unused lines of credit

The Series 2018 Loan does not have any unused lines of credit.

#### **Collateral**

No assets have been pledged as collateral on the Series 2018 Loan.

#### Events of default

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Loan Agreement, and does not comply with the covenants, agreements, or conditions as described in the Loan Agreement.

#### Termination events

The Series 2018 Loan is not subject to early termination.

#### Acceleration

The Series 2018 Loan is not subject to acceleration.

The District's Series 2018A Loan principal and interest will mature as follows:

	Governmental Activities							
Year Ending December 31,		Principal	ncipal Interest			Total		
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	
2028-2032		818,000		227,378			1,045,378	
2033-2035		579,000		49,308	_		628,308	
Total	\$	2,064,000	\$	656,324	-	\$	2,720,324	

The District's Series 2018B Loan principal and interest will mature as follows:

	Governmental Activities						
Year Ending December 31,	Principal			Interest		Total	
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	
2028-2032		1,001,000		291,522		1,292,522	
2033-2035		762,000		65,310		827,310	
Total	\$	2,474,000	\$	821,058	\$	3,295,058	

## NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

#### Authorized Debt

On November 5, 2002 a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$48,400,000. On November 2, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$485,000,000. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 5, 2002	Amount Authorized on November 2, 2004	Authorization Used for Series 2010 Bonds	Authorization Used for Series 2018 Loan	Authorized But Unissued	
Streets	\$ 11,650,000	\$ 40,000,000	\$ 3,023,000	\$ -	\$ 48,627,000	
Water	580,000	40,000,000	-	-	40,580,000	
Sanitary Sewer	3,890,000	40,000,000	154,000	-	43,736,000	
Parks and Recreation	6,855,000	40,000,000	1,947,000	-	44,908,000	
Mosquito Control	-	40,000,000	-	-	40,000,000	
Fire Protection	-	40,000,000	-	-	40,000,000	
Television Relay	-	40,000,000	-	-	40,000,000	
Public Transportation	2,245,000	40,000,000	-	-	42,245,000	
Safety Protection	780,000	40,000,000	-	-	40,780,000	
Operations and Maintenance	-	5,000,000	-	-	5,000,000	
Intergovernmental Contracts	-	40,000,000	-	-	40,000,000	
Public improvements:						
Operations and Maintenance	-	40,000,000	-	-	40,000,000	
Debt Refunding	22,400,000	40,000,000	-	752,000	61,648,000	
Total	\$ 48,400,000	\$ 485,000,000	\$ 5,124,000	\$ 752,000	\$ 527,524,000	

# NOTE 6 NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital position, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had the following net investment in capital assets, calculated as follows:

	Governmental Activities			
Net Investment in Capital Assets:				
Capital Assets, Net	\$	3,671,469		
Less: Capital Related Debt				
Current Portion of Long-Term Obligations		(243,000)		
Noncurrent Portion of Long-Term Obligations		(4,295,000)		
Net Investment in Capital Assets	\$	(866,531)		

## NOTE 6 NET POSITION (CONTINUED)

The restricted component of net position includes assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position at December 31, 2022, as follows:

	 Governmental Activities			
Restricted Net Position:				
Emergency Reserves	\$ 16,700			
Debt Service	 724,406			
Total Restricted Net Position	\$ 741,106			

The unrestricted component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

# NOTE 7 AGREEMENTS

## **District IGA**

The District and Southlands Metropolitan District No. 1 (District No. 1) entered into an Intergovernmental Agreement dated June 30, 2004, and amended pursuant to a first amendment dated December 7, 2004, and second amendment dated August 24, 2007 (the District IGA), concerning the manner in which the Districts are to coordinate the financing, construction, operation and maintenance of facilities contemplated in the Service Plans to comply with certain requirements of their respective Service Plans.

The District IGA acknowledges commencement of financing for the initial phase of improvements (as defined in the Service Plan) by both the District and District No. 1 and sets forth the agreement of the Districts with respect to the equitable allocation of costs associated with certain regional improvements, including improvements to Aurora Parkway, Smoky Hill Road, and certain bridge widening and landscape improvements (Regional Improvements).

#### South Aurora Regional Improvement Authority Establishment Agreement

On July 10, 2017, the District entered into the South Aurora Regional Improvement Authority Establishment Agreement (SARIA IGA) between the District, the City, and other unrelated metropolitan districts (collectively, the Parties) to form the South Aurora Regional Improvement Authority (the Authority). The Authority was organized for the purpose of planning, designing, constructing, installing, acquiring, relocating, redeveloping and financing the Regional Improvements designated in ARI Master Plans.

The Authority is authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of Regional Improvements form the ARI Mill Levy, and/or the proceeds of revenue bonds to be issued by the Authority or may delegate and assign those rights and responsibilities to individual Parties.

## NOTE 7 AGREEMENTS (CONTINUED)

#### South Aurora Regional Improvement Authority Establishment Agreement (Continued)

Each of the Districts which are Parties to this Agreement agree that the Authority may fund its operations with the ARI Mill Levy revenues transferred to the Authority. The amount of money necessary to fund the operations of the Authority shall be determined each year as a part of the budget process.

On December 8, 2017, the Parties to the SARIA IGA approved the South Aurora Regional Improvement Authority ARI Master Plan No. 1 (ARI Master Plan No. 1). On June 15, 2018, the Parties to the SARIA IGA approved the South Aurora Regional Improvement Authority ARI Master Plan No. 2 (ARI Master Plan No. 2) which supersedes ARI Master Plan No. 1. ARI Master Plan No. 2 prioritizes regional improvement projects within the Authority.

On October 2, 2018, the Districts entered into the First Amendment to the SARIA IGA primarily to confirm that each of the Parties to the SARIA IGA have made their initial contributions to the Authority and to allow for the transfer of the District's ARI Mill Levy to either the Authority or the Bond Trustee designated by the Authority in writing.

Upon approval of an ARI Master Plan by the Authority and the District, the financial obligations of the District is to remit the ARI Mill Levy to the Authority hereunder shall be a multiple fiscal year financial obligation of the District, payable from ad valorem property taxes, net of County Treasurer's fees, generated as a result of the certification by the District of the ARI Mill Levy. From and after the date of each District's approval of the ARI Master Plans, the District's ARI Mill Levy, as limited hereby, is pledged to the punctual payment of the obligations of the Authority with respect to the Authority's revenue bonds or other financial obligations.

#### NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

#### NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 5, 2002, the District voters passed an election question allowing the District to increase property taxes by \$630,000 annually, then increased the amount to \$5,000,000 during the November 2, 2004, election, without limitation of rate, to pay the District's operations, maintenance and other expenses.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

# SUPPLEMENTARY INFORMATION

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED DECEMBER 31, 2022

	а	Driginal nd Final Budget	ļ	Actual Amounts	Variance with Final Budget Positive (Negative)	
REVENUES						( )
Property Taxes	\$	520,655	\$	520,638	\$	(17)
Specific Ownership Taxes		36,446		33,338		(3,108)
Net Investment Income		600		16,347		15,747
Total Revenues		557,701		570,323		12,622
EXPENDITURES						
County Treasurer's Fees		7,810		7,810		-
Loan Principal - Series 2018A		118,000		118,000		-
Loan Interest - Series 2018A		91,644		91,644		-
Loan Principal - Series 2018B		116,000		116,000		-
Loan Interest - Series 2018B		108,780		108,780		-
Contingency		7,766		-		7,766
Total Expenditures		450,000		442,234		7,766
NET CHANGE IN FUND BALANCE		107,701		128,089		20,388
Fund Balance - Beginning of Year		612,157		612,200		43
FUND BALANCE - END OF YEAR	\$	719,858	\$	740,289	\$	20,431

# **OTHER INFORMATION**

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED DECEMBER 31, 2022

Year Ended	f	Prior ear Assessed Valuation or Current ear Property	Mills L	Levied		Total Prop	perty	Taxes	Percentage
December 31,		Tax Levy	General	Debt Service	Levied		Levied Collected		Collected
2018	\$	11,437,465	34.271	55.277	\$	1,024,202	\$	1,016,078	99.21 %
2019		11,536,632	34.271	55.277		1,033,082		1,020,334	98.77
2020		12,734,228	34.112	45.000		1,007,430		949,369	94.24
2021		12,323,017	39.112	40.000		974,899		974,899	100.00
2022		13,016,367	39.112	40.000		1,029,751		1,029,718	99.99
Estimated for the Year Ending December 31,									
2023	\$	13,674,434	39.294	40.000	\$	1,084,300			

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY DECEMBER 31, 2022

	\$2,510,000 Taxable (Convertible to Tax-Exempt) Refunding Loan Series 2018A Dated April 13, 2018 Principal due December 1 Interest Rate 4.2000% to 5.200% Payable					\$3,181,000 Tax-Exempt Refunding Loan Series 2018B Dated April 13, 2018 Principal due December 1 Interest Rate 4.2000% Payable						
Year Ending		Ju	une 1 a	nd December	r 1			Jı	une 1 a	and Decembe	r 1	
December 31,		Principal	I	nterest		Total		Principal		Interest	Total	
2023	\$	123,000	\$	86,688	\$	209,688	\$	120,000	\$	103,908	\$	223,908
2024		128,000		81,522		209,522		134,000		98,868		232,868
2025		133,000		76,146		209,146		140,000		93,240		233,240
2026		139,000		70,560		209,560		155,000		87,360		242,360
2027		144,000		64,722		208,722		162,000		80,850		242,850
2028		151,000		58,674		209,674		177,000		74,046		251,046
2029		157,000		52,322		209,322		184,000		66,612		250,612
2030		163,000		45,738		208,738		202,000		58,884		260,884
2031		170,000		38,892		208,892		210,000		50,400		260,400
2032		177,000		31,752		208,752		228,000		41,580		269,580
2033		185,000		24,318		209,318		237,000		32,004		269,004
2034		193,000		16,548		209,548		257,000		22,050		279,050
2035		201,000		8,442		209,442		268,000		11,256		279,256
Total	\$	2,064,000	\$	656,324	\$	2,720,324	\$	2,474,000	\$	821,058	\$	3,295,058

# SOUTHLANDS METROPOLITAN DISTRICT NO. 2 SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED) DECEMBER 31, 2022

	Total						
Year Ending December 31,		Principal		Interest	Total		
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	
Total	\$	4,538,000	\$	1,477,382	\$	6,015,382	

# FIRST AMENDMENT TO INDEPENDENT CONTRACTOR AGREEMENT (STORMWATER INSPECTION AND MAINTENANCE SERVICES)

This FIRST AMENDMENT TO INDEPENDENT CONTRACTOR AGREEMENT, including any exhibits attached hereto (the "**First Amendment**"), is entered into as of the 9<sup>th</sup> day of March 2023, by and between SOUTHLANDS METROPOLITAN DISTRICT NO. 2, a quasimunicipal corporation and political subdivision of the State of Colorado (the "**District**"), and STORM WATER ASSET PROTECTION, LLC, a Colorado limited liability company (the "**Contractor**"). The District and the Contractor are referred to herein as a "**Party**" and collectively as the "**Parties**."

# RECITALS

WHEREAS, the Parties entered into an *Independent Contractor Agreement (Storm Water Inspection and Maintenance Services)*, dated April 15, 2022 (the "Agreement"); and

WHEREAS, the Agreement sets forth the services to be completed in 2022 and the compensation schedule therefore; and

WHEREAS the Parties desire to amend the services and compensation schedule in the Agreement to reflect the Contractor's increase in rates for services provided in 2023;

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

# TERMS AND CONDITIONS

1. <u>AMENDMENT TO SCOPE OF SERVICES/COMPENSATION SCHEDULE</u>. The Parties hereby amend the Scope of Services/Compensation Schedule in Agreement to reflect the Scope of Services/Compensation Schedule for 2023 as set forth in **Exhibit A**, attached hereto and incorporated by reference.

2. <u>PRIOR PROVISIONS EFFECTIVE</u>. Except as specially amended hereby, all the terms and provisions of the Agreement shall remain in full force and effect.

3. <u>COUNTERPART EXECUTION</u>. This First Amendment may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies of this First Amendment may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories to this First Amendment.

# [Signature Pages Follow.]

IN WITNESS WHEREOF, the Parties have executed this First Amendment on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this First Amendment.

# **DISTRICT:**

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

Officer of the District

ATTEST:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON Attorneys at Law

General Counsel for the District

# **CONTRACTOR:**

STORM WATER ASSET PROTECTION, LLC, a Colorado limited liability company

Br lall

Brandon Collins, PE

Printed Name Vice President

Title

## **EXHIBIT A** SCOPE OF SERVICES/COMPENSATION SCHEDULE



1626 Cole Blvd, Suite 125 Lakewood, CO 80401

March 7, 2023

Southlands Metropolitan District No. 2 C/O SDMS Inc. 141 Union Boulevard, Suite 150 Lakewood, CO 80228

#### SOUTHLANDS METROPOLITAN DISTRICT STORMWATER MAINTENANCE SERVICES

Stormwater Asset Protection, LLC (SWAP) is pleased to respond to your request to provide stormwater inspection and maintenance services for the Southlands Metro District No. 2 (District) Stormwater System.

#### SCOPE OF SERVICES

**Initial review** – SWAP will review agreements and construction plans provided by the District and will conduct a detailed inspection of the storm sewer systems outfalls and treatment facilities.

Documentation - SWAP will provide a site-specific Inspection and Maintenance manual for the District.

**Reporting** – SWAP will provide a detailed report that identifies the storm sewer system outfalls and treatment facilities, their condition, and recommended corrections and maintenance including required reports to be sent to the regulating authority if required.

**Maintenance Contracting** – SWAP will acquire and provide to the District bids to complete the recommended corrections and maintenance for contract approval, when necessary.

**Oversight** – SWAP will conduct oversight of the maintenance operations to ensure the quality of work meets the expectations of the District.

#### FEE

SWAP proposes to perform Services on a Time and Material Basis in accordance with the Charge Rate Schedule below (assumes one pond). Based on our experience, the total amount listed below should allocate the funds for the complete scope of services. Any excess funds may be used for additional services.

\$2,000.00
\$1,500.00
\$2,000.00
\$1,000.00
\$6,500.00

#### 2023 CHARGE RATE SCHEDULE

Services will be provided on a Labor Time and Expenses basis as provided below. Hourly rates are revised periodically to reflect the current cost for delivery of services and the fees charged for services under this engagement may change without notice. The District agrees that SWAP is authorized perform a task authorized under this scope of services at the direction of any individual board member.

#### **Billing Rates**

Project Administrator	\$115.00 per hour
Technical Specialist	\$140.00 per hour
Senior Technical Specialist	\$165.00 per hour
Professional Engineer	\$175.00 per hour

Reimbursable Expenses Mileage Tolls

IRS rate + 10% At cost + 10%

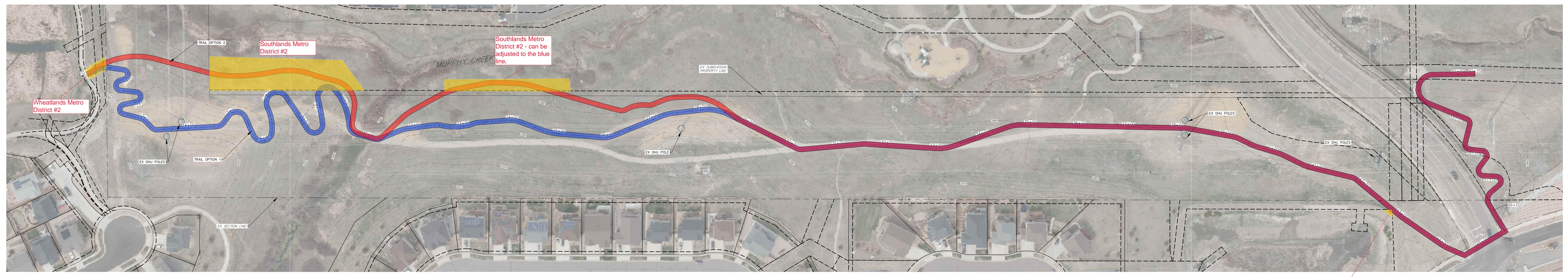
If you have any comments or questions, please feel free to contact me. We appreciate the opportunity to submit this proposal.

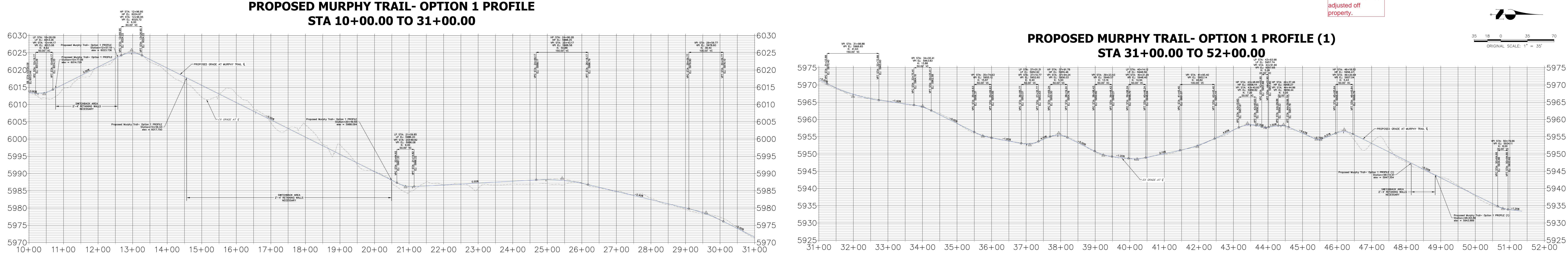
Respectfully Submitted,

Brandon Collins, PE

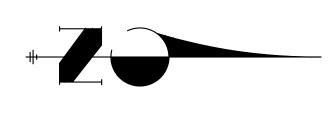
Brandon Collins, P.E. SWAP, LLC

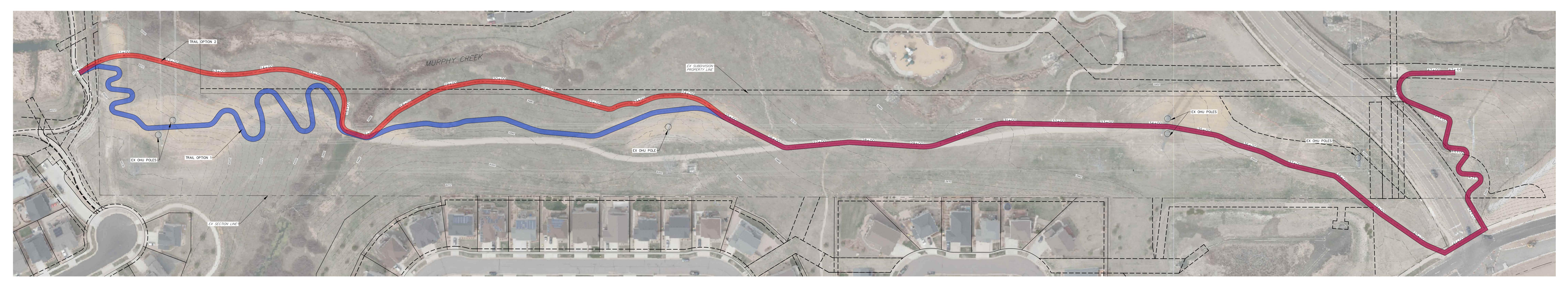
STORMWATER ASSET MANAGEMENT



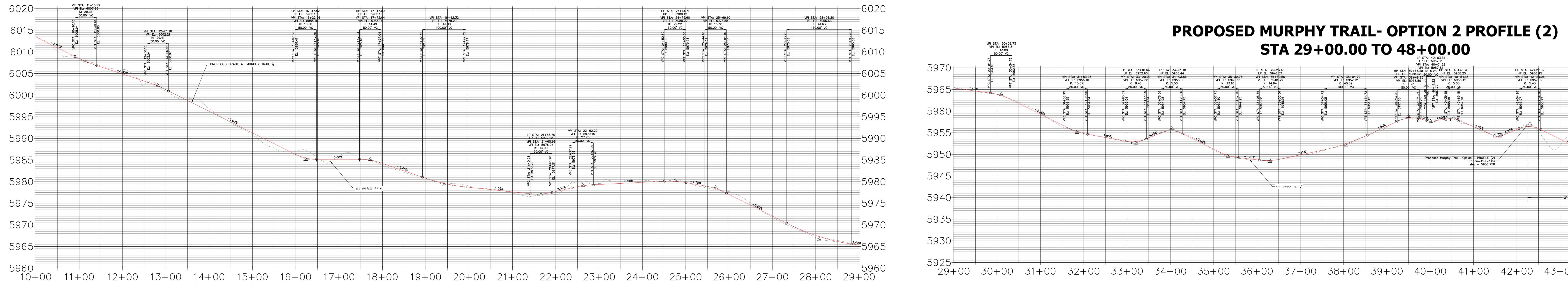


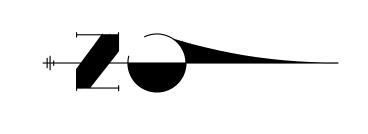
District #2 - can be adjusted off property.





# **PROPOSED MURPHY TRAIL- OPTION 2 PROFILE** STA 10+00.00 TO 29+00.00





35 18 0 35 ORIGINAL SCALE: 1" = 35'

5.78 25	HP STA: 42+27 HP EL: 5956.4 VPI STA: 42+29 VPI EL: 5957.0	.82				5970
4.18 42	K: 5.43 50.00' VC					5965
	PC STA: 42+0 EL: 5955.97 PT STA: 42+0			Image: Constraint of the sector of the se	Image: Constraint of the sector of	5960
-4. 430 -0. 77%		PROPOSED GR	ADE AT MURPHY TRAIL		Image: Constraint of the sector of	5955
Option 2 PROFILE (2) Station=42+23.83 elev = 5956.758					VPI STA: 46+88.99	5950
			-5.00%		VPI STA: 46+88.99 VPI EL: 5934.08 K: 8.00 30.00' VC	5945
		SWITCHBACK AREA 2'-4' RETAINING WALLS NECESSARY			PC STA: 46+73.99 EL: 5934.83 PT STA: 47+03.99 EL: 5933.90	5940
					-1.25%	5935
		Image: second		Proposed Mur Station=44+8 elev = 5944.	rphy Trail— Option 2 PROFILE (2) 38.49 100	5930
-1+00 42-	+00	43+00 44+	00 45-	+00 46+	-00 47+00	