SOUTHLANDS METROPOLITAN DISTRICT NO. 1
City of Aurora, Arapahoe County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southlands Metropolitan District No. 1
City of Aurora, Arapahoe County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southlands Metropolitan District No. 1 as of and for the year December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Southlands Metropolitan District No. 1, as of December 31, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund and the General Operations Fee Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary *Information*

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Southlands Metropolitan District No. 1's basic financial statements. The Supplementary Information and the Other Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Dazzio & Associates, P.C.

June 29, 2020

BASIC FINANCIAL STATEMENTS

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Cash and Investments	$ 2,810,826
Cash and Investments - Restricted	2,506,992
Accounts Receivable	4,601
General Operations Fee Receivable	62,986
Prepaid Expenses	400
Receivable from County Treasurer	21,058
Property Taxes Receivable	3,475,004
Capital Assets, Net:	
Streets	9,186,021
Park and Recreation Improvements	3,098,021
Capital Assets, Not Being Depreciated	10,649
Total Assets	21,176,558
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	2,529,654
Total Deferred Outflows of Resources	2,529,654
LIABILITIES	
Accounts Payable	465,633
Tenant Operations Fee Refund Payable	720,624
Unearned General Operations Fee	20,619
Accrued Interest Payable	190,852
Noncurrent Liabilities:	
Due Within One Year	700,324
Due in More than One Year	49,835,879
Total Liabilities	51,933,931
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	3,475,004
Total Deferred Inflows of Resources	3,475,004
NET POSITION	
Net Investment in Capital Assets	(19,106,487)
Restricted for:	
Emergency Reserves	66,200
Debt Service	327,545
Capital Projects	91,724
Unrestricted	(13,081,705)
Total Net Position	$ (31,702,723)

See accompanying Notes to Basic Financial Statements.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 3,486,388	$ 1,644,298	$ 13,736	$ -	$ (1,828,354)
Interest and Related Costs on Long-Term Debt	2,473,936	-	-	-	(2,473,936)
Total Governmental Activities	$ 5,960,324	$ 1,644,298	$ 13,736	$ -	(4,302,290)
GENERAL REVENUES					
Property Taxes					3,153,120
Specific Ownership Taxes					248,160
Net Investment Income					99,371
					3,500,651
CHANGE IN NET POSITION					(801,639)
Net Position - Beginning of Year					(30,901,084)
NET POSITION - END OF YEAR					$ (31,702,723)

See accompanying Notes to Basic Financial Statements.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	General Operations Fee	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	$ 1,283,282	$ 1,527,544	$ -	$ -	$ 2,810,826
Cash and Investments - Restricted	17,100	49,100	2,338,419	102,373	2,506,992
Accounts Receivable	-	4,601	-	-	4,601
General Operations Fee Receivable	-	62,986	-	-	62,986
Prepaid Expenses	400	-	-	-	400
Receivable from County Treasurer	3,205	-	17,853	-	21,058
Property Taxes Receivable	555,386	-	2,919,618	-	3,475,004
Total Assets	$ 1,859,373	$ 1,644,231	$ 5,275,890	$ 102,373	$ 8,881,867
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 30,947	$ 423,537	$ 500	$ 10,649	$ 465,633
Tenant Operations Fee Refund Payable	-	720,624	-	-	720,624
Unearned General Operations Fee	-	20,619	-	-	20,619
Total Liabilities	30,947	1,164,780	500	10,649	1,206,876
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	555,386	-	2,919,618	-	3,475,004
Total Deferred Inflows of Resources	555,386	-	2,919,618	-	3,475,004
FUND BALANCES					
Nonspendable:					
Prepaid Expenses	400	-	-	-	400
Restricted for:					
Emergency Reserves	17,100	49,100	-	-	66,200
Debt Service	-	-	2,355,772	-	2,355,772
Capital Projects	-	-	-	91,724	91,724
Committed:					
Operating Reserves	-	430,351	-	-	430,351
Assigned to:					
Subsequent Year's Expenditures	632,849	-	-	-	632,849
Unassigned:	622,691	-	-	-	622,691
Total Fund Balances	1,273,040	479,451	2,355,772	91,724	4,199,987
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,859,373	$ 1,644,231	$ 5,275,890	$ 102,373	
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					12,294,691
Long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported in the funds.					
Bonds Payable and Bond Premium					(50,536,203)
Cost of Refunding					2,529,654
Accrued Interest on Bonds Payable					(190,852)
Net Position of Governmental Activities					$ (31,702,723)

See accompanying Notes to Basic Financial Statements.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	General Operations Fee	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property Taxes	$ 479,533	$ -	$ 2,673,587	$ -	$ 3,153,120
Specific Ownership Taxes	37,746	-	210,414	-	248,160
General Operations Fee	-	1,619,376	-	-	1,619,376
General Operations Fee - Penalty	-	4,922	-	-	4,922
Reimbursed Expenditures	-	13,736	-	-	13,736
Net Investment Income	31,107	11,990	54,846	1,428	99,371
Permits and Fees	20,000	-	-	-	20,000
Total Revenues	568,386	1,650,024	2,938,847	1,428	5,158,685
EXPENDITURES					
General:					
Accounting	54,181	-	-	-	54,181
Audit	5,500	-	-	-	5,500
Billing Services	10,032	-	-	-	10,032
County Treasurer's Fees	7,195	-	40,117	-	47,312
Directors' Fees	5,500	-	-	-	5,500
District Management	69,994	-	-	-	69,994
Dues and Membership	1,553	-	-	-	1,553
Insurance	23,140	-	-	-	23,140
Legal	73,100	-	-	-	73,100
Miscellaneous	803	-	-	-	803
Public Events	43,089				43,089
Operations:					
Floral	-	187,013	-	-	187,013
Landscape Maintenance and Irrigation Repair	-	173,174	-	-	173,174
Monthly Cleaning	-	186,555	-	-	186,555
Property Maintenance	-	112,035	-	-	112,035
Property Management	-	36,992	-	-	36,992
Repairs and Maintenance	-	103,394	-	-	103,394
Security	-	56,650	-	-	56,650
Signage and Décor	-	103,846	-	-	103,846
Snow Removal	-	395,798	-	-	395,798
Street Repair/Sidewalk	-	64,349	-	-	64,349
Street Lighting/Striping	-	87,568	-	-	87,568
Street Sweeping	-	22,860	-	-	22,860
Traffic Signal Maintenance	-	425	-	-	425
Utilities	-	139,914	-	-	139,914
Debt Service:					
Bond Interest - Series 2017 A-1	-	-	2,117,600	-	2,117,600
Bond Interest - Series 2017 A-2	-	-	187,175	-	187,175
Bond Principal - Series 2017 A-1	-	-	445,000	-	445,000
Bond Principal - Series 2017 A-2	-	-	40,000	-	40,000
Paying Agent Fees	-	-	6,000	-	6,000
Capital Outlay	-	-	-	10,649	10,649
Total Expenditures	294,087	1,670,573	2,835,892	10,649	4,811,201
NET CHANGE IN FUND BALANCES	274,299	(20,549)	102,955	(9,221)	347,484
Fund Balances - Beginning of Year	998,741	500,000	2,252,817	100,945	3,852,503
FUND BALANCES - END OF YEAR	$ 1,273,040	$ 479,451	$ 2,355,772	$ 91,724	$ 4,199,987

See accompanying Notes to Basic Financial Statements.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances - Total Governmental Funds	$ 347,484
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.	
Depreciation Expense	(1,521,728)
Capital Outlay	10,649
The issuance of long-term debt (e.g., bonds, receipt of 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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Bond Principal Payment - Series 2017 A-1	445,000
Bond Principal Payment - Series 2017 A-2	40,000
Amortization of Bond Premium	146,247
Amortization of Cost of Refunding	(270,504)
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	1,213
Change in Net Position of Governmental Activities	$ (801,639)

See accompanying Notes to Basic Financial Statements.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 481,462	$ 479,533	$ (1,929)
Specific Ownership Taxes	28,888	37,746	8,858
Net Investment Income	5,000	31,107	26,107
Permits and Fees	-	20,000	20,000
Total Revenues	515,350	568,386	53,036
EXPENDITURES			
Accounting	60,000	54,181	5,819
Audit	6,000	5,500	500
Billing Services	9,000	10,032	(1,032)
Contingency	13,298	-	13,298
County Treasurer's Fees	7,202	7,195	7
Directors' Fees	-	5,500	(5,500)
District Management	60,000	69,994	(9,994)
Dues and Membership	1,500	1,553	(53)
Insurance	45,000	23,140	21,860
Legal	35,000	73,100	(38,100)
Miscellaneous	1,000	803	197
Public Events	30,000	43,089	(13,089)
Total Expenditures	268,000	294,087	(26,087)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	247,350	274,299	26,949
OTHER FINANCING SOURCES (USES)			
Transfer to Other Fund	(709,487)	-	709,487
Total Other Financing Sources (Uses)	(709,487)	-	709,487
NET CHANGE IN FUND BALANCE	(462,137)	274,299	736,436
Fund Balance - Beginning of Year	983,016	998,741	15,725
FUND BALANCE - END OF YEAR	$ 520,879	$ 1,273,040	$ 752,161

See accompanying Notes to Basic Financial Statements.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
GENERAL OPERATIONS FEE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
General Operations Fee	$ 2,340,000	$ 1,619,376	$ (720,624)
General Operations Fee - Penalty	-	4,922	4,922
Net Investment Income	-	11,990	11,990
Reimbursed Expenditures	-	13,736	13,736
Total Revenues	2,340,000	1,650,024	(689,976)
EXPENDITURES			
Floral	275,000	187,013	87,987
Landscape Maintenance and Irrigation Repair	425,000	173,174	251,826
Monthly Cleaning	215,000	186,555	28,445
Pest Control	10,000	-	10,000
Property Maintenance	125,000	112,035	12,965
Property Management	45,000	36,992	8,008
Repairs and Maintenance	315,000	103,394	211,606
Security	78,000	56,650	21,350
Signage and Décor	100,000	103,846	(3,846)
Snow Removal	350,000	395,798	(45,798)
Street Repair/Sidewalk	100,000	64,349	35,651
Street Lighting/Striping	115,000	87,568	27,432
Street Sweeping	24,000	22,860	1,140
Traffic Signal Maintenance	3,000	425	2,575
Utilities	160,000	139,914	20,086
Total Expenditures	2,340,000	1,670,573	669,427
NET CHANGE IN FUND BALANCE	-	(20,549)	(20,549)
Fund Balance - Beginning of Year	350,000	500,000	150,000
FUND BALANCE - END OF YEAR	$ 350,000	$ 479,451	$ 129,451

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Southlands Metropolitan District No. 1 (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. The District's service area is located in the City of Aurora, Arapahoe County, Colorado. The District was established to provide financing for the design, acquisition, construction and installation of public facilities such as water, streets, traffic and safety controls, parks, open space and recreation, sewer and drainage facilities, and the operations 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's 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as a functional expense on the statement of activities. Expenditures for property, plant, and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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. The District determined that Developer advances are not considered as revenue susceptible to accrual. 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 General Operations Fee Fund accounts for general operations fees collected from property owners and payments for operations and maintenance expenses.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities

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 and other financing uses level 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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 investment in capital assets 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 assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Streets	20 Years
Park and Recreation Improvements	20 Years

Accounts Receivable

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Resolution Concerning the Imposition of a General Operations Fee

On August 4, 2011, the District adopted the Resolution Concerning the Imposition of a General Operations Fee whereby the District fixed and imposed fees, rates, tolls, charges, and penalties for services or facilities provided by the District. Any fee that is not paid in full within 15 days after the scheduled due date is assessed a late fee of $15 or up to 5% per month, or a fraction thereof, not to exceed a total of 25% of the amount due. Interest accrues on any outstanding fee, exclusive of assessed late fees and interest, at the rate of 18% per year.

On March 13, 2014, the District amended the above named resolution to clarify the funding of an operations reserve and capital reserve, capital replacement costs, as well as costs associated with providing the services, in order that the public facilities may be properly provided and maintained and that the health, safety, and welfare of the District and its inhabitants may be safeguarded. Excess fees at year-end are reflected as committed fund balance.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

Bond Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Cost of Bond Refunding

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the refunded bonds. 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.

Equity

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

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.

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, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$ 2,810,826
Cash and Investments - Restricted	2,506,992
Total Cash and Investments	$ 5,317,818

Cash and investments as of December 31, 2019, consist of the following:

Deposits with Financial Institutions	$ 582,484
Investments	4,735,334
Total Cash and Investments	$ 5,317,818

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.

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, 2019, the District's cash deposits had a bank balance of $603,943 and a carrying balance of $582,484.

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 2019, the District had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average under 60 Days	$ 2,311,155
Fidelity Treasury Fund - Class III	Weighted Average under 60 Days	2,424,179
Total		$ 4,735,334

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 operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. 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. 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 is rated AAAm by Standard & Poor's. 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 and there is no redemption notice period.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fidelity Investments

Debt service monies included in the trust accounts at UMB were invested in the Fidelity Treasury Fund Class III (the Fund). This portfolio is a money market mutual fund which invests in U.S. government securities, which are fully guaranteed as to principal and interest by the United States, with maturities of 38 days or less and repurchase agreements collateralized by U.S. government securities. The Fund is rated AAA-mf by Moody's and AAAm by Standard & Poor's. The Fund records its investments at amortized cost and the District records its investments in the Fund using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily, 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, 2019 follows:

	Balance at December 31, 2018	Increases	Decreases	Balance at December 31, 2019
Primary Government:				
Capital Assets, Not Being Depreciated:				
Construction in Progress:	$ 3,691,519	$ 10,649	$ (3,691,519)	$ 10,649
Total Capital Assets, Not Being Depreciated	3,691,519	10,649	(3,691,519)	10,649
Capital Assets, Being Depreciated:				
Streets	18,527,117	3,691,519	-	22,218,636
Park and Recreation Improvements	8,523,542	-	-	8,523,542
Total Capital Assets, Being Depreciated	27,050,659	3,691,519	-	30,742,178
Less Accumulated Depreciation:				
Streets	(11,937,064)	(1,095,551)	-	(13,032,615)
Park and Recreation Improvements	(4,999,344)	(426,177)	-	(5,425,521)
Total Accumulated Depreciation	(16,936,408)	(1,521,728)	-	(18,458,136)
Total Capital Assets, Being Depreciated, Net	10,114,251	2,169,791	-	12,284,042
Capital Assets, Net	$ 13,805,770	$ 2,180,440	$ (3,691,519)	$ 12,294,691

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

General Government	$ 1,521,728

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, 2019:

	Balance at December 31, 2018	Additions	Retirements	Balance at December 31, 2019	Due Within One Year
G.O. Refunding Bonds - Series 2017 A-1	$ 44,260,000	$ -	$ 445,000	$ 43,815,000	$ 510,000
G.O. Refunding Bonds - Series 2017 A-2	3,910,000	-	40,000	3,870,000	45,000
Unamortized Bond Premium Series 2017 A-1	2,753,733	-	134,360	2,619,373	133,513
Unamortized Bond Premium Series 2017 A-2	243,717	-	11,887	231,830	11,811
Total	$ 51,167,450	$ -	$ 631,247	$ 50,536,203	$ 700,324

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

General Obligation Bonds – Series 2017

On December 1, 2017, the District refunded its General Obligation Refunding and Improvement Bonds, Series 2007 (the 2007 Bonds) and General Obligation Loan, Series 2016 (the 2016 Loan) by the issuance of $44,690,000 General Obligation Refunding Bonds, Series 2017A-1, and $3,945,000 General Obligation Refunding Bonds, Series 2017A-2, respectively (the 2017 Bonds). The proceeds were used for the purposes of (i) refunding the 2007 Bonds and 2016 Loan, (ii) funding the debt service reserve requirement (the 2017A-1 Reserve Fund in the amount of $1,687,625 and the 2017A-2 Reserve Fund in the amount of $149,750); and (iii) paying costs of issuance of the 2017 Bonds.

The 2017 Bonds, maturing on December 1, 2047 with interest rates of 3.000% - 5.000%, are payable semi-annually on June 1 and December 1. The 2017 Bonds maturing on or after December 1, 2037 are subject to redemption prior to maturity, at the option of the District, as whole or in integral multiples of $5,000, in any order of maturity and in whole or partial maturities, on December 1, 2027 and on any date thereafter, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds – Series 2017 (Continued)

The 2017 Bonds are general obligations of the District secured by and payable from the Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the Unlimited Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Unlimited Mill Levy; and (iii) any other legally available moneys of the District deposited in the Bond Fund or the Reserve Fund.

Approximately 11.5 acres, generally encompassing the Lowe's Home Improvement Warehouse, were excluded from the boundaries of the District on November 7, 2007 (the Excluded Property). Accordingly, the Excluded Property is subject to ad valorem taxes by the District to pay the Series 2017A-1 Bonds but will not be subject to ad valorem taxes to pay the Series 2017A-2 Bonds.

For the purposes of paying the principal and interest on the Bonds, the Board is to annually determine and certify to the County each year in which the 2017 Bonds remain outstanding, in addition to all other taxes, the Unlimited Mill Levy. The 2017 Bonds are not secured by property lying within the District, but rather by, among other things, the District's obligation to annually determine and certify a rate of levy for ad valorem property taxes in an amount sufficient to pay, along with other legally available revenues, the principal and interest on the 2017 Bonds.

The District's Series 2017A-1 Bonds principal and interest will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 510,000	$ 2,104,250	$ 2,614,250
2021	525,000	2,088,950	2,613,950
2022	590,000	2,073,200	2,663,200
2023	610,000	2,055,500	2,665,500
2024	685,000	2,034,150	2,719,150
2025-2029	4,140,000	9,767,950	13,907,950
2030-2034	6,015,000	8,630,250	14,645,250
2035-2039	8,460,000	6,895,250	15,355,250
2040-2044	11,695,000	4,473,000	16,168,000
2045-2047	10,585,000	1,160,500	11,745,500
Total	$ 43,815,000	$ 41,283,000	$ 85,098,000

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds – Series 2017 (Continued)

The District's Series 2017A-2 Bonds principal and interest will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 45,000	$ 185,975	$ 230,975
2021	45,000	184,625	229,625
2022	50,000	183,275	233,275
2023	55,000	181,775	236,775
2024	60,000	179,850	239,850
2025-2029	365,000	863,750	1,228,750
2030-2034	530,000	763,250	1,293,250
2035-2039	750,000	610,000	1,360,000
2040-2044	1,035,000	395,500	1,430,500
2045-2047	935,000	102,500	1,037,500
Total	$ 3,870,000	$ 3,650,500	$ 7,520,500

Debt Authorization

On July 16, 2007, the City Council approved an amendment to the service plan, which permits the District to impose an unlimited mill levy and to increase its debt limit to $60,000,000. On January 11, 2016, the City Council approved a second amendment to the service plan which increases the debt issuance limitation to $125,000,000.

In November 2002, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $113,000,000 at an interest rate not to exceed 18% per annum. In November 2008, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $560,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2019, the District had authorized but unissued indebtedness in the following amount for the following purposes:

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization (Continued)

	Amount Authorized on November 5, 2002	Amount Authorized on November 4, 2008	Authorization Used				Authorized But Unissued
			Series 2004 Bonds	Series 2007 Bonds	Series 2016 Loan	Series 2017 Bonds	
Street Improvements	$ 41,400,000	$ 40,000,000	$ 27,310,000	$ 12,679,958	$ 4,250,000	$ -	$ 37,160,042
Sewer Improvements	4,885,000	40,000,000	1,494,000	210,000	-	-	43,181,000
Park and Recreation Improvements	7,625,000	40,000,000	6,150,000	897,000	-	-	40,578,000
Traffic and Safety Protection Improvements	1,995,000	40,000,000	285,000	-	-	-	41,710,000
Public Transportation	2,505,000	40,000,000	-	-	-	-	42,505,000
Water Improvements	4,590,000	40,000,000	1,270,000	-	-	-	43,320,000
Mosquito Control	-	40,000,000	-	-	-	-	40,000,000
Fire Protection	-	40,000,000	-	-	-	-	40,000,000
Television Relay and Transmission	-	40,000,000	-	-	-	-	40,000,000
Security Services	-	40,000,000	-	-	-	-	40,000,000
Operations and Maintenance	1,000,000	40,000,000	-	-	-	-	41,000,000
Intergovernmental Contracts	-	40,000,000	-	-	-	-	40,000,000
Public Improvements Operations and Maintenance	-	40,000,000	-	-	-	-	40,000,000
Debt Refunding	49,000,000	40,000,000	-	8,644,042	-	3,945,000	76,410,958
Totals	$ 113,000,000	$ 560,000,000	$ 36,509,000	$ 22,431,000	$ 4,250,000	$ 3,945,000	$ 605,865,000

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $125,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

The 2017A-1 Bonds do not consume any authorized amount because they were issued at a lower interest rate than the Bonds they refunded.

NOTE 6 NET POSITION

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

The net investment in capital assets component of net position consists of capital assets, 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, 2019, the District had the following net investment in capital assets, calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	$ 12,294,691
Current Portion of Long-Term Obligations	(452,538)
Noncurrent Portion of Long-Term Obligations	(32,203,166)
Portion of Debt Related to Restricted Cash and Investments	1,254,526
Net Investment in Capital Assets	$ (19,106,487)

The restricted component of net position consists of restricted 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, 2019, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 66,200
Debt Service	327,545
Capital Projects	91,724
Total Restricted Net Position	$ 485,469

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 RELATED PARTY

M & J Wilkow Properties, LLC, is contracted to provide property management service to the District. Four members of the Board of Directors are employees or contractors directly hired by M & J Wilkow Properties, LLC. M & J Wilkow Properties, LLC owns property at Southlands under the following entities: Southlands TC, LLC and Southlands PC, LLC. These entities and their affiliates may have conflicts of interest in dealing with the District.

NOTE 8 AGREEMENTS

District IGA

The District and Southlands Metropolitan District No. 2 (District No. 2) 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 certain Regional Improvements contemplated in the Service Plans. The District IGA 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). The District IGA indicates that the District and District No. 2 (collectively, the Districts) made a determination that, because development had not yet commenced in District No. 2, the District shall undertake the construction of the Regional Improvements and it is District No. 2's intent to reimburse the District for District No. 2's equitable share of the costs associated with the Regional Improvements upon District No. 2's issuance of bonds in an amount sufficient to reimburse the District, and the Districts agree that it is appropriate to utilize all or a portion of net bond proceeds for reimbursement.

NOTE 9 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 (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, workers compensation, and 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 10 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.

In November 2002, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitation under TABOR. At the November 2008 election, the District's electors authorized the District to collect, retain, and spend the full amount of taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, grants or any other fees collected or received by the District prior to, through and during 2008 and each fiscal year thereafter, without regard to any limitation under TABOR.

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. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 2,683,919	$ 2,673,587	$ (10,332)
Specific Ownership Taxes	161,035	210,414	49,379
Net Investment Income	30,000	54,846	24,846
Total Revenues	2,874,954	2,938,847	63,893
EXPENDITURES			
Bond Interest - Series 2017 A-1	2,117,600	2,117,600	-
Bond Interest - Series 2017 A-2	187,175	187,175	-
Bond Principal - Series 2017 A-1	445,000	445,000	-
Bond Principal - Series 2017 A-2	40,000	40,000	-
County Treasurer's Fees	40,259	40,117	142
Contingency	8,466	-	8,466
Paying Agent Fees	2,500	6,000	(3,500)
Total Expenditures	2,841,000	2,835,892	5,108
NET CHANGE IN FUND BALANCE	33,954	102,955	69,001
Fund Balance - Beginning of Year	2,269,446	2,252,817	(16,629)
FUND BALANCE - END OF YEAR	$ 2,303,400	$ 2,355,772	$ 52,372

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	$ -	$ 1,428	$ 1,428
Total Revenues	-	1,428	1,428
EXPENDITURES			
Capital Outlay	-	10,649	(10,649)
Medians	200,000	-	200,000
Refresh	600,000	-	600,000
Total Expenditures	800,000	10,649	789,351
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(800,000)	(9,221)	790,779
OTHER FINANCING SOURCES (USES)			
Transfer from Other Fund	709,487	-	(709,487)
Total Other Financing Sources (Uses)	709,487	-	(709,487)
NET CHANGE IN FUND BALANCE	(90,513)	(9,221)	81,292
Fund Balance - Beginning of Year	90,513	100,945	10,432
FUND BALANCE - END OF YEAR	$ -	$ 91,724	$ 91,724

OTHER INFORMATION

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2019

Bonds and Interest Maturing in the Year Ending December 31,	$44,690,000 General Obligation Refunding Bonds Series 2017 A-1 Dated December 1, 2017 Interest at 3.000%-5.000% Payable June 1 and December 1 Principal Due December 1			$3,945,000 General Obligation Refunding Bonds Series 2017 A-2 Dated December 1, 2017 Interest at 3.000%-5.000% Payable June 1 and December 1 Principal Due December 1			Totals		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	$ 510,000	$ 2,104,250	$ 2,614,250	$ 45,000	$ 185,975	$ 230,975	$ 555,000	$ 2,290,225	$ 2,845,225
2021	525,000	2,088,950	2,613,950	45,000	184,625	229,625	570,000	2,273,575	2,843,575
2022	590,000	2,073,200	2,663,200	50,000	183,275	233,275	640,000	2,256,475	2,896,475
2023	610,000	2,055,500	2,665,500	55,000	181,775	236,775	665,000	2,237,275	2,902,275
2024	685,000	2,034,150	2,719,150	60,000	179,850	239,850	745,000	2,214,000	2,959,000
2025	705,000	2,010,175	2,715,175	65,000	177,750	242,750	770,000	2,187,925	2,957,925
2026	785,000	1,985,500	2,770,500	70,000	175,475	245,475	855,000	2,160,975	3,015,975
2027	815,000	1,958,025	2,773,025	65,000	173,025	238,025	880,000	2,131,050	3,011,050
2028	895,000	1,929,500	2,824,500	80,000	170,750	250,750	975,000	2,100,250	3,075,250
2029	940,000	1,884,750	2,824,750	85,000	166,750	251,750	1,025,000	2,051,500	3,076,500
2030	1,045,000	1,837,750	2,882,750	95,000	162,500	257,500	1,140,000	2,000,250	3,140,250
2031	1,100,000	1,785,500	2,885,500	95,000	157,750	252,750	1,195,000	1,943,250	3,138,250
2032	1,210,000	1,730,500	2,940,500	105,000	153,000	258,000	1,315,000	1,883,500	3,198,500
2033	1,270,000	1,670,000	2,940,000	110,000	147,750	257,750	1,380,000	1,817,750	3,197,750
2034	1,390,000	1,606,500	2,996,500	125,000	142,250	267,250	1,515,000	1,748,750	3,263,750
2035	1,460,000	1,537,000	2,997,000	130,000	136,000	266,000	1,590,000	1,673,000	3,263,000
2036	1,595,000	1,464,000	3,059,000	140,000	129,500	269,500	1,735,000	1,593,500	3,328,500
2037	1,675,000	1,384,250	3,059,250	150,000	122,500	272,500	1,825,000	1,506,750	3,331,750
2038	1,820,000	1,300,500	3,120,500	160,000	115,000	275,000	1,980,000	1,415,500	3,395,500
2039	1,910,000	1,209,500	3,119,500	170,000	107,000	277,000	2,080,000	1,316,500	3,396,500
2040	2,070,000	1,114,000	3,184,000	185,000	98,500	283,500	2,255,000	1,212,500	3,467,500
2041	2,170,000	1,010,500	3,180,500	190,000	89,250	279,250	2,360,000	1,099,750	3,459,750
2042	2,345,000	902,000	3,247,000	205,000	79,750	284,750	2,550,000	981,750	3,531,750
2043	2,460,000	784,750	3,244,750	220,000	69,500	289,500	2,680,000	854,250	3,534,250
2044	2,650,000	661,750	3,311,750	235,000	58,500	293,500	2,885,000	720,250	3,605,250
2045	2,780,000	529,250	3,309,250	245,000	46,750	291,750	3,025,000	576,000	3,601,000
2046	2,985,000	390,250	3,375,250	265,000	34,500	299,500	3,250,000	424,750	3,674,750
2047	4,820,000	241,000	5,061,000	425,000	21,250	446,250	5,245,000	262,250	5,507,250
Totals	$ 43,815,000	$ 41,283,000	$ 85,098,000	$ 3,870,000	$ 3,650,500	$ 7,520,500	$ 47,685,000	$ 44,933,500	$ 92,618,500

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND
PROPERTY TAXES COLLECTED
DECEMBER 31, 2019

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy		Total Mills Levied General Operations	Total Mills Levied Debt Service	Total Property Taxes Levied	Total Property Taxes Collected	Percent Collected to Levied	Abatements	Collected Less Abatements	Percent Collected Less Abatements to Levied
2015	$ 61,508,754	(a)	6.348	60.000	$ 4,062,298	$ 4,055,300	99.83 %	$ (21,844)	$ 4,033,456	99.29 %
2016	71,722,499	(b)	7.548	53.000	4,319,296	4,206,709	97.39	(248,520)	3,958,189	91.64
2017	67,882,968	(c)	3.548	58.000	4,167,252	4,120,907	98.89	(63)	4,120,844	98.89
2018	73,934,787	(d)	3.000	36.750	2,918,678	2,897,594	99.28	(70,524)	2,827,070	96.86
2019	71,858,462	(e)	7.000	37.500	3,165,381	3,153,120	99.61	-	3,153,120	99.61
Estimated for year ending December 31, 2020	$ 82,560,167	(f)	7.000	35.500	$ 3,475,004					

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.

(a) - Certified Assessed Value of $2,943,457 is for Arapahoe County debt only.
(b) - Certified Assessed Value of $3,094,513 is for Arapahoe County debt only.
(c) - Certified Assessed Value of $3,046,494 is for Arapahoe County debt only.
(d) - Certified Assessed Value of $3,236,755 is for Arapahoe County debt only.
(e) - Certified Assessed Value of $3,078,108 is for Arapahoe County debt only.
(f) - Certified Assessed Value of $3,219,321 is for Arapahoe County debt only.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
ASSESSED VALUATION OF CLASSES OF PROPERTY OF THE DISTRICT
DECEMBER 31, 2019
(UNAUDITED)

Class	Total Assessed Valuation	Percent of Total Assessed Valuation
Commercial	$ 74,822,907	90.63%
Vacant Land	418,708	0.51
Personal Property	7,318,522	8.86
State Assessed	30	0.00
Total	$ 82,560,167	100.00%

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
TAXPAYERS IN THE DISTRICT
DECEMBER 31, 2019
(UNAUDITED)

Taxpayers Within The District Taxpayer Name	2019 Assessed Valuation	Percent of Total Assessed Valuation (1)
NWSL TOWN CENTER LLC	$ 24,132,350	29.23 %
WAL-MART REAL ESTATE BUSINESS	5,614,821	6.80
NWSL POWER CENTER LLC	4,845,030	5.87
SAM'S CLUB REAL ESTATE	3,789,481	4.59
LOWES HOME IMPROVEMENT WAREHOUSE *	3,687,159	4.47
J.C. PENNEY PROPERTIES INC	2,803,793	3.40
QWEST CORPORATION	563,000	0.68
AMERICAN MULTI - CINEMA	469,346	0.57
DICK'S SPORTING GOODS	206,700	0.25
MISTER CAR WASH	195,809	0.24
Total	$ 46,307,489	56.10%

(1) Based on a 2019 certified assessed valuation of $82,560,167.

* Note: Debt only (not in the District)

Taxpayers Within The Excluded Property Taxpayer Name	2019 Assessed Valuation	Percent of Total Assessed Valuation (1)
LOWES HOME IMPROVEMENT WAREHOUSE	$ 3,204,177	99.53 %
QWEST CORPORATION	7,300	0.23
PUBLIC SERVICES OF COLORADO	5,160	0.16
HILLMAN GROUP INC	2,118	0.07
COMPASS GROUP USA INC	407	0.01
GRAYHAWK LEASING LLC	159	0.00
Total	$ 3,219,321	100.00%

(1) Based on a 2019 certified assessed valuation of $3,219,321.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
ESTIMATED OVERLAPPING GENERAL OBLIGATION DEBT
DECEMBER 31, 2019
(UNAUDITED)

Entity	2019 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributed to the District	
			Percent	Debt
City of Aurora	$5,329,349,735	None	1.55%	None
Cherry Creek School District #5	$7,111,661,236	$ 610,550,000	1.16%	$ 7,087,952
				$ 7,087,952

Exclusion Adjusted Taxing Area Historical Debt Ratios

	Years Ended December 31				
	2015	2016	2017	2018	2019
General Obligation Debt Outstanding	$ 52,440,000	$ 55,385,000	$ 44,690,000	$ 44,260,000	$ 43,815,000
Assessed Value - Exclusion Adjusted Taxing Area	$ 71,722,499	$ 67,882,968	$ 73,934,787	$ 71,858,462	$ 82,560,167
Ratio of Debt to Assessed Value	73.12%	81.59%	60.45%	61.59%	53.07%