

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
Arapahoe County, Colorado

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

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Board of Directors
Southlands Metropolitan District No. 2
Arapahoe County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Southlands Metropolitan District No. 2 (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Southlands Metropolitan District No. 2 as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in our report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Wipfli LLP
Denver, Colorado

June 10, 2025

BASIC FINANCIAL STATEMENTS

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 1,254,939
Cash and Investments - Restricted	980,605
Prepaid Expenses	28,286
Receivable from County Treasurer	6,255
Property Tax Receivable	1,083,921
Capital Assets:	
Capital Assets, Not Being Depreciated	128,719
Capital Assets, Net of Depreciation	<u>2,808,255</u>
Total Assets	6,290,980
 DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding, Net	<u>115,631</u>
Total Deferred Outflows of Resources	115,631
 LIABILITIES	
Accounts Payable	32,231
Retainage Payable	3,869
Due to SARIA	3
Accrued Interest Payable	14,116
Noncurrent Liabilities:	
Due Within One Year	273,000
Due in More Than One Year	<u>3,760,000</u>
Total Liabilities	4,083,219
 DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>1,083,921</u>
Total Deferred Inflows of Resources	<u>1,083,921</u>
 NET POSITION	
Net Investment in Capital Assets	(1,096,026)
Restricted for:	
Emergency Reserves	23,800
Debt Service	944,988
Unrestricted	<u>1,366,709</u>
 Total Net Position	<u><u>\$ 1,239,471</u></u>

See accompanying Notes to Basic Financial Statements.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:				
Governmental Activities:				
General Government	\$ 789,851	\$ -	\$ -	\$ (789,851)
Interest on Long-Term Debt and Related Costs	204,124	-	-	(204,124)
Total Governmental Activities	\$ 993,975	\$ -	\$ -	(993,975)
GENERAL REVENUES				
Property Taxes				1,071,767
Specific Ownership Taxes				63,101
Interest Income				121,675
Other Revenue				7,021
Total General Revenues				1,263,564
CHANGES IN NET POSITION				
				269,589
Net Position - Beginning of Year				969,882
NET POSITION - END OF YEAR				\$ 1,239,471

See accompanying Notes to Basic Financial Statements.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 1,254,939	\$ -	\$ 1,254,939
Cash and Investments - Restricted	23,800	956,805	980,605
Receivable from County Treasurer	3,956	2,299	6,255
Prepaid Expenses	28,286	-	28,286
Property Tax Receivable	692,144	391,777	1,083,921
Total Assets	\$ 2,003,125	\$ 1,350,881	\$ 3,354,006
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 32,231	\$ -	\$ 32,231
Retainage Payable	3,869	-	3,869
Due to SARIA	3	-	3
Total Liabilities	36,103	-	36,103
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	692,144	391,777	1,083,921
Total Deferred Inflows of Resources			
	692,144	391,777	1,083,921
FUND BALANCES			
Nonspendable:			
Prepaid Expenses	28,286	-	28,286
Restricted for:			
Emergency Reserves	23,800	-	23,800
Debt Service	-	959,104	959,104
Unassigned	1,222,792	-	1,222,792
Total Fund Balances	1,274,878	959,104	2,233,982
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,003,125	\$ 1,350,881	
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			2,936,974
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.			
Cost of Refunding, Net			115,631
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued Interest on Loans Payable			(14,116)
Loans Payable			(4,033,000)
Net Position of Governmental Activities			\$ 1,239,471

See accompanying Notes to Basic Financial Statements.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 664,810	\$ 386,518	\$ 1,051,328
SARIA Revenue	20,439	-	20,439
Specific Ownership Taxes	39,902	23,199	63,101
Interest Income	60,907	60,768	121,675
Other Revenue	7,021	-	7,021
Total Revenues	<u>793,079</u>	<u>470,485</u>	<u>1,263,564</u>
EXPENDITURES			
Current:			
Accounting	26,463	-	26,463
Auditing	6,500	-	6,500
County Treasurer's Fee	9,972	5,798	15,770
County Treasurer's Fee (SARIA)	307	-	307
Detention Pond	11,050	-	11,050
Directors' Fees	1,700	-	1,700
District Management	37,519	-	37,519
Dues and Membership	682	-	682
Insurance	26,566	-	26,566
Landscaping	41,190	-	41,190
Landscape Renovation	1,849	-	1,849
Legal	32,068	-	32,068
Miscellaneous	6,491	-	6,491
Monument	46,909	-	46,909
Murphy creek trail	50,000	-	50,000
Payment to SARIA	20,133	-	20,133
Payroll Taxes	130	-	130
Repairs and Maintenance	38,418	-	38,418
Snow Removal	10,878	-	10,878
Street Lighting	150	-	150
Tree Replacement/Arborist/Tree Care Program	15,770	-	15,770
Utilities	20,408	-	20,408
Debt Service:			
Loan Interest Series 2018A	-	81,522	81,522
Loan Interest Series 2018B	-	98,868	98,868
Loan Principal Series 2018A	-	128,000	128,000
Loan Principal Series 2018B	-	134,000	134,000
Total Expenditures	<u>405,153</u>	<u>448,188</u>	<u>853,341</u>
NET CHANGE IN FUND BALANCES	387,926	22,297	410,223
Fund Balances - Beginning of Year	<u>886,952</u>	<u>936,807</u>	<u>1,823,759</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,274,878</u>	<u>\$ 959,104</u>	<u>\$ 2,233,982</u>

See accompanying Notes to Basic Financial Statements.

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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$	410,223
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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. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay		46,909
Depreciation Expense		(431,607)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Principal Payment - Series 2018A Loan		128,000
Principal Payment - Series 2018B Loan		134,000

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 Payable - Change in Liability		917
Amortization of Cost of Bond Refunding		(18,853)

Changes in Net Position of Governmental Activities	\$	269,589
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SOUTHLANDS METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 664,797	\$ 664,810	\$ 13
Specific Ownership Taxes	39,888	39,902	14
SARIA Revenue	20,439	20,439	-
Interest Income	36,000	60,907	24,907
Other Revenue	-	7,021	7,021
Total Revenues	761,124	793,079	31,955
EXPENDITURES			
Accounting	27,000	26,463	537
Auditing	6,500	6,500	-
County Treasurer's Fee	9,972	9,972	-
County Treasurer's Fee (SARIA)	307	307	-
Detention Pond	45,000	11,050	33,950
Directors' Fees	1,500	1,700	(200)
District Management	45,000	37,519	7,481
Dues and Membership	1,000	682	318
Insurance	27,000	26,566	434
Landscaping	50,000	41,190	8,810
Landscape Architect	20,000	-	20,000
Landscape Renovation	10,000	1,849	8,151
Legal	40,000	32,068	7,932
Miscellaneous	9,489	6,491	2,998
Monument	20,000	46,909	(26,909)
Murphy Creek Trail	50,000	50,000	-
Payment to SARIA	20,132	20,133	(1)
Payroll Taxes	100	130	(30)
Repairs and Maintenance	75,000	38,418	36,582
Security	30,000	-	30,000
Snow Removal	20,000	10,878	9,122
Street Lighting	10,000	150	9,850
Streets Repairs and Maintenance	10,000	-	10,000
Tree Replacement/Arborist/Tree Care Program	20,000	15,770	4,230
Utilities	35,000	20,408	14,592
Total Expenditures	583,000	405,153	177,847
NET CHANGE IN FUND BALANCE	178,124	387,926	209,802
Fund Balance - Beginning of Year	797,633	886,952	89,319
FUND BALANCE - END OF YEAR	<u>\$ 975,757</u>	<u>\$ 1,274,878</u>	<u>\$ 299,121</u>

See accompanying Notes to Basic Financial Statements.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 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'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.

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 total 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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 investment 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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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.

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.

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 1,254,939
Cash and Investments - Restricted	<u>980,605</u>
Total Cash and Investments	<u>\$ 2,235,544</u>

Cash and investments as of December 31, 2024, consist of the following:

Deposits with Financial Institutions	\$ 57,333
Investments	<u>2,178,211</u>
Total Cash and Investments	<u>\$ 2,235,544</u>

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024, the District's cash deposits had a bank balance and a carrying balance of \$57,333.

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, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 2,178,211
		<u>\$ 2,178,211</u>

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 AAAsf/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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 81,810	\$ 46,909	\$ -	\$ 128,719
Total Capital Assets, Not Being Depreciated	81,810	46,909	-	128,719
Capital Assets, Being Depreciated:				
Streets	4,846,804	-	-	4,846,804
Sanitary Sewer	271,905	-	-	271,905
Playground Equipment	378,560	-	-	378,560
Park and Recreation Improvements	3,158,635	-	-	3,158,635
Total Capital Assets, Being Depreciated	8,655,904	-	-	8,655,904
Less Accumulated Depreciation for:				
Accumulated Depreciation - Streets	3,211,009	242,340	-	3,453,349
Accumulated Depreciation - Parks & Rec Improvement	2,067,246	155,952	-	2,223,198
Accumulated Depreciation - Sanitary Sewer	43,294	5,438	-	48,732
Accumulated Depreciation - Playground Equipment	94,493	27,877	-	122,370
Total Accumulated Depreciation	5,416,042	431,607	-	5,847,649
Total Capital Assets, Being Depreciated, Net	3,239,862	(431,607)	-	2,808,255
Governmental Activities Capital Assets, Net	\$ 3,321,672	\$ (384,698)	\$ -	\$ 2,936,974

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, 2024:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Notes/Loans/Bonds from Direct Borrowings and Direct Placements					
Refunding Loan - Series 2018A	\$ 1,941,000	\$ -	\$ 128,000	\$ 1,813,000	\$ 133,000
Refunding Loan - Series 2018B	2,354,000	-	134,000	2,220,000	140,000
Total Long-Term Obligations	\$ 4,295,000	\$ -	\$ 262,000	\$ 4,033,000	\$ 273,000

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 then-applicable 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).

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2030-2034	888,000	157,248	1,045,248
2035	201,000	8,442	209,442
Total	<u>\$ 1,813,000</u>	<u>\$ 488,114</u>	<u>\$ 2,301,114</u>

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2030-2034	1,134,000	204,918	1,338,918
2035	268,000	11,256	279,256
Total	<u>\$ 2,220,000</u>	<u>\$ 618,282</u>	<u>\$ 2,838,282</u>

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

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, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 2, 2004	Authorization Used		Authorized But Unused
		Series 2010 Bonds	Series 2018 Loan	
Streets	\$ 40,000,000	\$ 3,023,000	\$ -	\$ 36,977,000
Water	40,000,000	-	-	40,000,000
Sanitary Sewer	40,000,000	154,000	-	39,846,000
Parks and Recreation	40,000,000	1,947,000	-	38,053,000
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	40,000,000	-	-	40,000,000
Safety Protection	40,000,000	-	-	40,000,000
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	40,000,000	-	752,000	39,248,000
Total	<u>\$ 485,000,000</u>	<u>\$ 5,124,000</u>	<u>\$ 752,000</u>	<u>\$ 479,124,000</u>

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, 2024, the District had the following net investment in capital assets, calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 2,936,974
Less: Capital Related Debt	
Current Portion of Long-Term Obligations	(273,000)
Noncurrent Portion of Long-Term Obligations	(3,760,000)
Net Investment in Capital Assets	<u>\$ (1,096,026)</u>

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024, as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserves	\$ 23,800
Debt Service	<u>944,988</u>
Total Restricted Net Position	<u>\$ 968,788</u>

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 from 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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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.

On December 19, 2024, South Aurora Regional Improvement Authority ARI Master Plan No. 3 (ARI Master Plan No. 3) was adopted, which amends and supplements ARI Master Plan No. 2. ARI Master Plan No. 3 has no effect on the pledge of revenues related to South Aurora Regional Improvement Authority Special Revenue Bonds, series 2018 (the "Outstanding Bonds"). SARIA intends to issue up to \$50,000,000 of revenue bonds or other obligations (the "2025 Bonds") for the purpose of funding regional improvements and refunding the Outstanding Bonds. Upon the refunding of the Outstanding Bonds and the issuance of the 2025 Bonds the Districts will only be required to remit the ARI Mill Levy through 2038 (up to and including their 2037 mill levies for collection in 2038). After 2038 the District will have no obligations under the Establishment Agreement, ARI Master Plan No. 1, or ARI Master Plan No. 3.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 386,510	\$ 386,518	\$ 8
Specific Ownership Taxes	23,191	23,199	8
Interest Income	35,000	60,768	25,768
Total Revenues	444,701	470,485	25,784
EXPENDITURES			
County Treasurer's Fee	5,798	5,798	-
Loan Interest Series 2018A	81,522	81,522	-
Loan Interest Series 2018B	98,868	98,868	-
Loan Principal Series 2018A	128,000	128,000	-
Loan Principal Series 2018B	134,000	134,000	-
Contingency	11,812	-	11,812
Total Expenditures	460,000	448,188	11,812
NET CHANGE IN FUND BALANCE	(15,299)	22,297	37,596
Fund Balance - Beginning of Year	926,635	936,807	10,172
FUND BALANCE - END OF YEAR	<u>\$ 911,336</u>	<u>\$ 959,104</u>	<u>\$ 47,768</u>

OTHER INFORMATION – UNAUDITED

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied				Total Property Taxes	
		General Operations	ARI	Debt Service	Total	Levied	Collected
2020	\$ 12,734,228	33.000	1.112	45.000	79.112	\$ 1,007,430	\$ 949,369
2021	12,323,017	38.000	1.112	40.000	79.112	974,899	974,899
2022	13,016,367	38.000	1.112	40.000	79.112	1,029,751	1,029,718
2023	13,674,434	38.000	1.294	40.000	79.294	1,084,300	1,084,326
2024	15,460,403	43.000	1.322	25.000	69.322	1,071,746	1,071,767
Estimated for Year Ending December 31, 2025	\$ 15,671,068	43.000	1.167	25.000	69.167	\$ 1,083,921	

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of year of levy.

Source: Arapahoe County Assessor and Treasurer.

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2024

Bonds/Loans and Interest Maturing in the Year Ending December 31,	\$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 June 1 and December 1			\$3,181,000 Tax-Exempt Refunding Loan Series 2018B Dated April 13, 2018 Principal due December 1 Interest Rate 4.2000% Payable December 15		
	Principal	Interest	Total	Principal	Interest	Total
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	<u>\$ 1,813,000</u>	<u>\$ 488,114</u>	<u>\$ 2,301,114</u>	<u>\$ 2,220,000</u>	<u>\$ 618,282</u>	<u>\$ 2,838,282</u>

SOUTHLANDS METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2024

Year Ending December 31,	Principal	Interest	Total
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	<u>\$ 4,033,000</u>	<u>\$ 1,106,396</u>	<u>\$ 5,139,396</u>