

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

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

Website: <https://www.colorado.gov/southlandsmid>

NOTICE OF SPECIAL MEETING AND AGENDA

Board of Directors:

Martin Liles
Skye Bailey
Joyce Rocha
April Elliott
VACANT

Office:

President
Vice President
Secretary
Treasurer

Term/Expires:

2023/May 2023
2023/May 2023
2022/May 2022
2022/May 2022
2022/May 2022

DATE: June 16, 2020

TIME: 9:00 a.m.

Due to Executive Order D 2020 044 Safer at Home issued by Governor Polis on April 26, 2020, and Public Health Order 20-28 implementing the Executive Order, issued by the Colorado Department of Health and Environment on April 26, 2020, and due to the threat posed by COVID 19, this meeting will be held via teleconferencing and can be joined through the directions below:

CONFERENCE CALL NUMBER:

1-877-261-8991

PASSCODE:

6168588

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda; confirm location of the meeting and posting of meeting notice.

C. Review and approve Minutes of the May 12, 2020 Regular Meeting (enclosure).

II. PUBLIC COMMENTS

A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.

III. FINANCIAL MATTERS

- A. Review and approve payment of claims through the period ending June 20, 2020 as follows (enclosure):

General Fund:	\$	123,012.97
Debt Service Fund:	\$	-0-
Capital Projects Fund:		170,081.35
Total:	\$	<u>293,094.32</u>

- B. Review and accept unaudited financial statements through the period ending April 30, 2020, Schedule of Cash Position dated April 30, 2020, updated June 8, 2020, and Operations Fee Report (enclosure).

- C. Consider approval of draft 2019 Audit (enclosure) and approval of execution of Representations Letter.

- D. Consider appointing the District Accountant to prepare the 2021 Budget and set the date for a Public Hearing to adopt the 2021 Budget for November 17, 2020, at 9:00 a.m., at the Southlands Shopping Center, Management Office, 6155 South Main Street, Suite 260, Aurora, Colorado 80016.

IV. LEGAL MATTERS

- A. Discuss Tax Certificate.

- B. Consider approval of Temporary Revocable License Agreement for curb side pickup for the various retailers.

- C. Consider approval of Temporary Revocable License Agreement, Expanding Dining for Restaurants and any extension thereto: for the various restaurants (enclosure).

1. BD of Colorado, LLC d/b/a Bad Daddy's Burger Bar (enclosure).

2. Review and approve Letter of Support from the District to the City of Aurora expanding dining area temporarily outdoors (enclosure).
-

V. OPERATIONS AND MAINTENANCE

A. Maintenance Report (M & J Wilkow):

1. Banners.
-
-

2. Other.
-
-

B. Maintenance Report (SDMS):

1. Medians.
-
-

2. Sam's Club Detention Pond.
-
-

C. Review proposal from Millard Mall Services, Inc. (enclosure).

1. Consider approval of Independent Contractor Agreement between the District and Millard Mall Services, Inc.
-
-

D. Discuss Opening of Amenity Areas.

VI. CAPITAL IMPROVEMENTS

- A. Discuss status of the 2020 Capital Improvement Project (the HUB and Landscape Improvements).

1. Approve Change Orders.

- B. Discuss status of modification of drive lane on Southlands Parkway.

VII. OTHER MATTERS

- A. Discuss Public Art Requirements.

- B. Discuss permits and upcoming events.

1. Review and approve Special Events Permit for Farmer's Market (enclosure).

2. Discuss 2020 sponsorship.

3. Discuss SDA Conference.

VIII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR JULY 21, 2020.**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHLANDS METROPOLITAN DISTRICT NO. 1 HELD MAY 12, 2020

A Special Meeting of the Board of Directors (referred to hereafter as “Board”) of the Southlands Metropolitan District No. 1 (referred to hereafter as “District”) was convened on Tuesday, the 12th day of May, 2020, at 9:00 a.m. The meeting was open to the public.

The meeting was held via conference call due to Executive Orders issued by Governor Polis, and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Health and Environment, and the threat posed by the COVID-19 coronavirus.

ATTENDANCE

Directors In Attendance Were:

Martin Liles (via speakerphone)
Skye Bailey (via speakerphone)
Joyce Rocha (via speakerphone)
April Elliott (via speakerphone)

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc. (via speakerphone)

Clint C. Waldron, Esq.; White Bear Ankele Tanaka & Waldron P.C. (via speakerphone)

Thuy Dam; CliftonLarsonAllen, LLP (via speakerphone)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Bailey, seconded by Director Elliott and, upon vote, unanimously carried, the Agenda was approved, as amended.

May 5, 2020 Election: Ms. Finn noted for the Board that the May 5, 2020 election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were no more candidates than positions available on the Board of Directors. Directors Liles and Elliot were deemed elected to 2-year terms ending in May, 2022. Directors Rocha and Bailey were deemed elected to 3-year terms ending in May, 2023.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Martin Liles
Vice President	Skye Bailey
Treasurer	April Elliott
Secretary	Joyce Rocha

Minutes: The Board reviewed the Minutes of the April 21, 2020 Regular Meeting.

Following discussion, upon motion duly made by Director Liles, seconded by Director Elliott and, upon vote, unanimously carried, the Minutes of the April 21, 2020 Regular Meeting were approved, as amended.

2020 SDA Conference: Ms. Finn discussed the SDA Conference with the Board and requested that they let her know if they would like to attend the conference as soon as possible so reservations can be made.

PUBLIC COMMENTS

There were no public comments at this time.

FINANCIAL MATTERS

Claims: Ms. Finn reviewed with the Board the payment of claims for the period ending May 20, 2020, totaling \$99,288.47.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Rocha, seconded by Director Liles and, upon vote, unanimously carried, the Board approved the payment of claims, as presented.

Financial Statements: Ms. Dam presented to the Board the unaudited financial statements of the District for the period ending March 31, 2020, Cash Position Schedule, updated as of May 5, 2020 and Operations Fee Report.

Following discussion, upon motion duly made by Director Liles, seconded by Director Bailey and, upon vote, unanimously carried, the Board accepted the unaudited financial statements of the District for the period ending March 31, 2020, Cash Position Schedule, updated as of May 5, 2020 and Operations Fee Report.

LEGAL MATTERS

Tax Certificate: Attorney Waldron reviewed with the Board the Tax Certificate prepared by District's Bond Council concerning bond proceeds. No action was taken by the Board at this time.

Independent Engineer: Attorney Waldron discussed with the Board the engagement of an Independent Engineer. It was determined by the Board that the engagement of an Independent Engineer would be necessary.

Temporary Revocable License ("Agreement") for Curb Side Pickup: Attorney Waldron reviewed with the Board a form Temporary Revocable License Agreement for Curb Side Pickup. He noted the Agreement allows for signs and reserved parking spaces designated for curb side pickup.

Following discussion, upon motion duly made by Director Liles, seconded by Director Bailey and, upon vote, unanimously carried, the Board ratified approval of a Temporary Revocable License Agreement for Curb Side Pickup. The Board also authorized Director Rocha to obtain execution of the Agreements and extend the Agreement beyond May 31, 2020.

Resolution Extending Emergency Procedures and Authorizing the Holding of Regular and Special Meetings Telephonically: The Board discussed a Resolution Extending Emergency Procedures and Authorizing the Holding of Regular and Special Meetings Telephonically.

Following discussion, upon motion duly made by Director Rocha, seconded by Director Elliott and, upon vote, unanimously carried, the Board adopted a Resolution Extending Emergency Procedures and Authorizing the Holding of Regular and Special Meetings Telephonically.

RECORD OF PROCEEDINGS

OPERATIONS AND MAINTENANCE **M & J Wilkow's Maintenance Report:**

Banners: Director Rocha reviewed the banner artwork with the Board.

Following discussion, upon motion duly made by Director Liles, seconded by Director Bailey and, upon vote, unanimously carried, the Board authorized Director Rocha to work with IMS Printing & Signs on a new color pallet.

Striping of District Roads: Director Bailey reported the striping for the District roads is 100% complete

Maintenance Report (SDMS):

Medians: Ms. Finn reported to the Board the median renovation is ongoing.

Sam's Club Detention Pond: Ms. Finn reported to the Board the maintenance work at the Sam's Club Detention Pond is ongoing.

Millard Mall Services, Inc. Proposal:

Independent Contract Agreement between the District and Millard Mall Services, Inc.: The Board noted that they needed additional time to review the proposal and deferred taking any action on the proposal.

CAPITAL IMPROVEMENTS

2020 Capital Improvement Project (the HUB and Landscape Improvements): Director Bailey reported to the Board that the HUB and Landscape Improvements are expected to be complete by the end of May 2020.

Change Order No. 001 from Hyder Construction Inc. for Installation of Additional Power at The Hub: The Board discussed Change Order No. 001 from Hyder Construction Inc. for installation of additional power at The Hub, in the amount of \$4,740.10.

Following discussion, upon motion duly made by Director Bailey, seconded by Director Elliott and, upon vote, unanimously carried, the Board approved Change Order No. 001 from Hyder Construction Inc. for installation of additional power at The Hub, in the amount of \$4,740.10.

Change Order No. 005 from Hyder Construction Inc. for Installation of Additional Power at The Square, in the amount of \$30,695.10: The Board deferred discussion.

RECORD OF PROCEEDINGS

Planting Adjustments for Tree Wells: Director Bailey reported the planting adjustments for the tree wells is 90% complete. The tree wells have been planted, mulched and irrigation has been installed.

Temporary Construction Easement and Permanent Easement over Plaza (“Easement”): Attorney Waldron discussed with the Board the possible need for a Temporary Construction Easement for the work in the plaza area. Following discussion, it was determined the Easement was not necessary.

Modification of Drive Lane on Southlands Parkway: Ms. Finn noted for the Board that she did not receive a response from the City of Aurora regarding modifying the traffic lane located on the southwest corner of the intersection at Southlands Parkway and Main Street to a right turn only lane from Southlands Parkway onto Main Street.

OTHER MATTERS

Public Art Requirements: The Board discussed the Public Art Requirements. No action was taken by the Board.

Permits and Upcoming Events: The Board discussed permits and upcoming events. It was noted the Farmers Market is scheduled for every Saturday from June 6, 2020 to September 26, 2020 along East State Avenue and Main Street.

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting

RESOLUTION NO. 2020-05-01

**RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
SOUTHLANDS METROPOLITAN DISTRICT NO. 1**

**EXTENDING EMERGENCY PROCEDURES AND
AUTHORIZING TELECONFERENCING FOR REGULAR AND SPECIAL MEETINGS**

WHEREAS, Southlands Metropolitan District No. 1 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado (the “**State**”) organized to serve a public use and promote the health, safety, prosperity, security and general welfare of the residents of the District and the State of Colorado; and

WHEREAS, pursuant to § 32-1-903, C.R.S., all official business of the Board of Directors of the District (the “**Board**”) shall be conducted only during regular and special meetings at which a quorum is present, and all said meetings shall be open to the public; and

WHEREAS, § 32-1-1001(1)(h) C.R.S., provides the Board with the management, control and supervision of all the business and affairs of the District; and

WHEREAS, the Governor of the State (the “**Governor**”) declared a state of emergency on March 10, 2020, and extended the declaration on April 8, 2020 (the “**Emergency**”) due to the threat that COVID-19 coronavirus (“**COVID-19**”) poses to the health, safety and welfare of the citizens of the State; and

WHEREAS, on April 26, 2020, as directed by the Governor, the Colorado Department of Public Health and Environment issued Public Health Order 20-28 (the “**Order**”) implementing “Safer at Home” guidelines, effective 12:01 A.M. on April 27, 2020. The Order limits public gatherings outside a residence to no more than ten (10) individuals, except for the purposes expressly permitted in the Order, and to the extent possible encourages compliance with Social Distancing Requirements (as defined in the Order); and

WHEREAS, counties, municipalities, and other local governments have issued, or may issue, COVID-19 related public health orders limiting public gatherings and establishing social distancing requirements (collectively the “**Local Orders**”, and together with the Order, the “**Orders**”); and

WHEREAS, the Colorado Department of Public Health and Environment and Centers for Disease Control and Prevention recommend certain precautions in order to attempt to slow the spread of COVID-19, including minimizing close contact with large numbers of people; and

WHEREAS, in order to attempt to protect the health and safety of the residents of the District from COVID-19 and in order to comply with the Orders, and any subsequent orders, while at the same time continuing with the required business of the District, the Board wishes to have the ability

to hold regular and special meetings *via* teleconferencing until such time that the Emergency is lifted by the State, the Orders, or any subsequent orders, are repealed, or as otherwise determined by the Board; and

WHEREAS, on March 24, 2020, the Board adopted a Resolution Declaring Emergency Procedures and Authorizing Teleconferencing for Regular and Special Meetings; and

WHEREAS, the Board wishes to extend certain procedures and requirements for when the District determines to hold regular and special meetings *via* teleconferencing during the Emergency and the time when the Orders, or any subsequent orders, are in effect.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:

1. Teleconferencing for Regular and Special Meetings. The Board hereby authorizes the holding of regular and special meetings for the District by teleconferencing methods until such time that the Emergency and Orders, or any subsequent orders, are lifted, or as otherwise determined by the Board.

2. Quorum of the Board for Teleconferenced Regular and Special Meetings. A quorum of the Board for attendance and voting purposes at regular and special meetings shall be established by the attendance of a majority of the members of the Board on the teleconferencing platform. Each Board member must be able to clearly hear and participate in any teleconferenced meetings.

3. Posting of Regular and Special Meeting Notices. The District shall continue to post notice of all regular and special meetings pursuant to the District's previously adopted policies and State law.

4. Public Attendance at Teleconferenced Regular and Special Meetings. The District shall arrange for a dial-in-number for members of the public and the Board to utilize in order to attend the teleconferenced regular and special meetings of the District. Members of the public may be excluded from executive sessions that are held by the Board in accordance with State law. The dial-in number shall be included on the agenda for the meeting.

5. Ratification of Actions. Any actions, including, but not limited to the adoption of this Resolution, taken at a regular or special meeting held by teleconference platform shall be ratified at the first regular or special in-person Board meeting that takes place after adoption of this Resolution.

6. Term. This Resolution shall remain in full force and effect until such time as the Board determines that the conditions necessitating its adoption no longer exist, including lifting of the Emergency, the repeal of the Orders, or any subsequent orders, or as otherwise determined by the Board.

ADOPTED THIS 12TH DAY OF MAY, 2020.

SOUTHLANDS METROPOLITAN DISTRICT
NO. 1, a quasi-municipal corporation and political
subdivision of the State of Colorado

Officer of the District

ATTEST:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

General Counsel to the District

*Signature Page to Resolution Declaring Emergency Procedures Authorizing Teleconferencing for Regular
and Special Meetings dated May 12, 2020*

Southlands Metropolitan District No. 1

Jun-20

Vendor	Invoice #	Date	Due Date	Amount	Account Number
505 Design, Inc.	12832	5/31/2020	6/11/2020	\$ 1,377.50	307862
Allied Universal	10100687	5/28/2020	6/11/2020	\$ 3,609.68	117806
Brody Chemical	484888	5/31/2020	6/11/2020	\$ 104.99	117582
City of Aurora	6302 05/20	5/12/2020	6/11/2020	\$ 248.30	117701
City of Aurora	23856 05/20	5/12/2020	6/11/2020	\$ 823.93	117701
City of Aurora	6216 05/20	5/12/2020	6/11/2020	\$ 680.90	117701
City of Aurora	24122 05/20	5/12/2020	6/11/2020	\$ 297.60	117701
City of Aurora	24001 05/20	5/12/2020	6/11/2020	\$ 17.58	117701
City of Aurora	24424 05/20	5/12/2020	6/11/2020	\$ 203.87	117701
City of Aurora	6149 05/20	5/12/2020	6/11/2020	\$ 89.68	117701
City of Aurora	23787 05/20	5/12/2020	6/11/2020	\$ -	117701
City of Aurora	24194 05/20	5/12/2020	6/11/2020	\$ 2,287.56	117701
CliftonLarsonAllen LLP	2487183	5/12/2020	6/11/2020	\$ 6,142.78	107000
CliftonLarsonAllen LLP	2487183	5/12/2020	6/11/2020	\$ 1,605.74	107800
Common Area Maintenance Services	M06012188	6/1/2020	6/11/2020	\$ 1,905.00	117808
Full Spectrum Lighting, Inc	1591	5/26/2020	6/11/2020	\$ 2,250.00	117855
Full Spectrum Lighting, Inc	1563	5/8/2020	6/11/2020	\$ 405.00	117855
Full Spectrum Lighting, Inc	1590	5/22/2020	6/11/2020	\$ 1,425.00	117855
Hyder Construction Inc.	52002-Pay App 2	5/13/2020	6/11/2020	\$ (8,879.15)	302501
Hyder Construction Inc.	52002-Pay App 2	5/13/2020	6/11/2020	\$ 177,583.00	307862
Kutak Rock LLP	2707930	5/22/2020	6/11/2020	\$ 5,083.30	107460
M & J Wilkow Properties, LLC	20745	5/1/2020	6/11/2020	\$ 9,336.24	117804
Manhard Consulting	53656	5/20/2020	6/11/2020	\$ 6,782.50	107480
Metco Landscape, Inc	SM186649	6/1/2020	6/11/2020	\$ 12,659.00	117585
Metco Landscape, Inc	548444	5/19/2020	6/11/2020	\$ 45.10	117585
Millard Mall Services	77810	5/4/2020	6/11/2020	\$ 9,690.64	117802
Millard Mall Services	77989	6/2/2020	6/11/2020	\$ 12,059.47	117802
Rocky Mountain Parking Services, Inc	43681	5/7/2020	6/11/2020	\$ 9,771.00	117855
Special District Management Services, Inc.	PM 05/2020	5/31/2020	6/11/2020	\$ 3,000.00	117805
Special District Management Services, Inc.	DM 05/2020	5/31/2020	6/11/2020	\$ 6,569.61	107440
Western Proscapes	53368	6/1/2020	6/11/2020	\$ 17,455.80	117801
White, Bear & Ankele PC	10549	5/31/2020	6/11/2020	\$ 6,597.73	107460
Xcel Energy	684875836	5/14/2020	6/11/2020	\$ 1,864.97	117701
				\$ 293,094.32	

Southlands Metropolitan District No. 1
June-20

	General	Debt	Capital	Totals
Disbursements	\$ 116,498.58	\$ -	\$ 170,081.35	\$ 286,579.93
Xcel - Auto Pay	\$ 1,864.97	\$ -	\$ -	\$ 1,864.97
Aurora Water - Auto Pay	\$ 4,649.42	\$ -	\$ -	\$ 4,649.42
Total Disbursements from Checking Acct	\$ 123,012.97	\$ -	\$ 170,081.35	\$ 293,094.32

SOUTHLANDS METROPOLITAN DISTRICT NO.1

FINANCIAL STATEMENTS

APRIL 30, 2020

SOUTHLANDS METROPOLITAN DISTRICT NO.1
BALANCE SHEET - GOVERNMENTAL FUNDS
APRIL 30, 2020

	General	General Operations Fee	Debt Service	Capital Projects	Total
ASSETS					
Cash - Checking	\$ 10,937	\$ 243,424	\$ -	\$ 3,710	\$ 258,071
Colotrust	1,341,659	922,417	-	-	2,264,076
UMB Series 2017 A-1 Bond Fund	-	-	1,106,865	-	1,106,865
UMB Series 2017 A-2 Bond Fund	-	-	153,528	-	153,528
UMB Series 2017 A-1 Reserve Fund	-	-	1,694,326	-	1,694,326
UMB Series 2017 A-2 Reserve Fund	-	-	150,345	-	150,345
UMB Series 2017 A-2 Project Fund	-	-	-	86,080	86,080
General Operations Fee receivable	-	23,762	-	-	23,762
Receivable from County Treasurer	177,890	-	902,541	-	1,080,431
Accounts receivable	-	5,950	-	-	5,950
TOTAL ASSETS	<u>\$ 1,530,486</u>	<u>\$ 1,195,553</u>	<u>\$ 4,007,605</u>	<u>\$ 89,790</u>	<u>\$ 6,823,434</u>
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable	\$ 41,461	\$ 283,997	\$ -	\$ 54,201	\$ 379,659
Retainage payable	-	-	-	2,201	2,201
General Operations Fee Reconciliation	-	123,976	-	-	123,976
Total Liabilities	<u>41,461</u>	<u>407,973</u>	<u>-</u>	<u>56,402</u>	<u>505,836</u>
FUND BALANCES					
Total Fund Balances	<u>1,489,025</u>	<u>787,580</u>	<u>4,007,605</u>	<u>33,388</u>	<u>6,317,598</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,530,486</u>	<u>\$ 1,195,553</u>	<u>\$ 4,007,605</u>	<u>\$ 89,790</u>	<u>\$ 6,823,434</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SOUTHLANDS METROPOLITAN DISTRICT NO.1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FOUR MONTHS ENDED APRIL 30, 2020

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ 20,000	\$ 6,804	\$ (13,196)
Property taxes	555,386	307,764	(247,622)
Specific ownership tax	33,320	11,828	(21,492)
TOTAL REVENUES	<u>608,706</u>	<u>326,396</u>	<u>(282,310)</u>
EXPENDITURES			
Accounting	63,000	18,022	44,978
Auditing	6,000	-	6,000
Billing services	10,000	4,855	5,145
Contingency	12,669	-	12,669
County Treasurer's fee	8,331	4,616	3,715
Directors' fees	6,000	2,000	4,000
District management	65,000	27,039	37,961
Dues and licenses	2,000	1,650	350
Election expense	2,000	833	1,167
Insurance and bonds	33,000	32,365	635
Legal services	65,000	15,660	49,340
Miscellaneous	1,000	3,371	(2,371)
Public Events	45,000	-	45,000
TOTAL EXPENDITURES	<u>319,000</u>	<u>110,411</u>	<u>208,589</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	289,706	215,985	(73,721)
OTHER FINANCING SOURCES (USES)			
Transfers to other fund	(922,555)	-	922,555
TOTAL OTHER FINANCING SOURCES (USES)	<u>(922,555)</u>	<u>-</u>	<u>922,555</u>
NET CHANGE IN FUND BALANCES	(632,849)	215,985	848,834
FUND BALANCES - BEGINNING	<u>1,255,548</u>	<u>1,273,040</u>	<u>17,492</u>
FUND BALANCES - ENDING	<u><u>\$ 622,699</u></u>	<u><u>\$ 1,489,025</u></u>	<u><u>\$ 866,326</u></u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

SOUTHLANDS METROPOLITAN DISTRICT NO.1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FOUR MONTHS ENDED APRIL 30, 2020

GENERAL OPERATIONS FEE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
General operations fee	\$ 2,340,000	\$ 780,000	\$ (1,560,000)
General operations fee - penalty and other	1,000	7,078	6,078
Interest income	8,000	5,884	(2,116)
Other revenue	-	3,800	3,800
TOTAL REVENUES	<u>2,349,000</u>	<u>796,762</u>	<u>(1,552,238)</u>
EXPENDITURES			
Floral	275,000	84,515	190,485
Landscape maintenance & irrigation repair	400,000	50,636	349,364
Monthly cleaning	215,000	59,225	155,775
Pest control	10,000	-	10,000
Property maintenance	116,000	37,345	78,655
Property management	40,000	12,078	27,922
Repairs and maintenance	300,000	8,637	291,363
Security	80,000	18,908	61,092
Signage and decor	110,000	-	110,000
Snow removal	400,000	145,584	254,416
Street lighting/ striping	100,000	48,831	51,169
Street repairs/sidewalk	115,000	1,400	113,600
Street sweeping	25,000	7,620	17,380
Traffic signals maintenance	3,000	-	3,000
Utilities	160,000	12,822	147,178
TOTAL EXPENDITURES	<u>2,349,000</u>	<u>487,601</u>	<u>1,861,399</u>
NET CHANGE IN FUND BALANCES	-	309,161	309,161
FUND BALANCES - BEGINNING	<u>500,000</u>	<u>478,421</u>	<u>(21,579)</u>
FUND BALANCES - ENDING	<u>\$ 500,000</u>	<u>\$ 787,582</u>	<u>\$ 287,582</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

SOUTHLANDS METROPOLITAN DISTRICT NO.1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FOUR MONTHS ENDED APRIL 30, 2020

DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ 50,000	\$ 7,185	\$ (42,815)
Property taxes	2,919,618	1,612,151	(1,307,467)
Specific ownership tax	175,000	62,179	(112,821)
TOTAL REVENUES	<u>3,144,618</u>	<u>1,681,515</u>	<u>(1,463,103)</u>
EXPENDITURES			
Bond interest - Series 2017 A-1	2,104,250	-	2,104,250
Bond interest - Series 2017 A-2	185,975	-	185,975
Bond principal - Series 2017 A-1	510,000	-	510,000
Bond principal - Series 2017 A-2	45,000	-	45,000
Contingency	10,481	-	10,481
County Treasurer's fee	43,794	24,182	19,612
Paying agent fees	5,500	5,500	-
TOTAL EXPENDITURES	<u>2,905,000</u>	<u>29,682</u>	<u>2,875,318</u>
NET CHANGE IN FUND BALANCES	239,618	1,651,833	1,412,215
FUND BALANCES - BEGINNING	<u>2,354,202</u>	<u>2,355,772</u>	<u>1,570</u>
FUND BALANCES - ENDING	<u><u>\$ 2,593,820</u></u>	<u><u>\$ 4,007,605</u></u>	<u><u>\$ 1,413,785</u></u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

SOUTHLANDS METROPOLITAN DISTRICT NO.1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FOUR MONTHS ENDED APRIL 30, 2020

CAPITAL PROJECTS FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ -	\$ 262	\$ 262
TOTAL REVENUES	<u>-</u>	<u>262</u>	<u>262</u>
EXPENDITURES			
Medians	225,000	-	225,000
Refresh	800,000	58,599	741,401
TOTAL EXPENDITURES	<u>1,025,000</u>	<u>58,599</u>	<u>966,401</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,025,000)	(58,337)	966,663
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	922,555	-	(922,555)
TOTAL OTHER FINANCING SOURCES (USES)	<u>922,555</u>	<u>-</u>	<u>(922,555)</u>
NET CHANGE IN FUND BALANCES	(102,445)	(58,337)	44,108
FUND BALANCES - BEGINNING	<u>102,445</u>	<u>91,724</u>	<u>(10,721)</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 33,387</u>	<u>\$ 33,387</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

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

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

On November 5, 2002, the electorate authorized general obligation debt in the amount of \$63,000,000, refunding debt of \$49,000,000 and \$1,000,000 debt for operating expenditures. Debt is subject to the terms of the Service Plan. On November 5, 2002, the electorate also approved the removal of limitations imposed by the TABOR Amendment and any other law that purports to limit the District's revenue or expenditures and a \$130,000 annual property tax increase for operations.

On November 4, 2008, the electorate approved general obligation debt in the amount of \$440,000,000 for District improvements, \$40,000,000 for the purpose of refunding, refinancing or defeasing any of the District's debt, \$40,000,000 in multi-year intergovernmental agreements, \$40,000,000 in multi-year agreements with a regional authority and \$40,000,000 in other multi-year financial obligations. Additionally, on November 4, 2008, the electorate approved \$5,000,000 annually for the District's administrative and operating costs from property taxes as well as from fees. The electorate also approved \$5,000,000 in additional property taxes for intergovernmental agreements, \$5,000,000 in additional property taxes for the costs of regional improvements and \$5,000,000 in additional property taxes for private contracts. The electorate also authorized the District to collect, retain and spend the full amount of taxes and fees without regard to the limitation of TABOR.

The First Amendment to the Service Plan, approved by the City of Aurora on July 16, 2007, authorized the District to impose an unlimited mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance.

Pursuant to the District's First Amendment to the Service Plan as approved by the City of Aurora on July 16, 2007, the amount of debt that can be issued is \$60,000,000. On January 11, 2016, the City Council approved the Second Amendment to the Service Plan which increases the debt issuance limitation to \$125,000,000.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The First Amendment to the Service Plan, approved by the City of Aurora on July 16, 2007, authorized the District to impose an unlimited mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes collected by both the General Fund and the Debt Service Fund. The budget assumes that specific ownership taxes allocable to property taxes collected by the Debt Service Fund will be pledged to debt service on the bonds during the term bonds are outstanding.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

General Operations Fee

The general operations fee is being determined by the amount needed to cover operations and maintenance costs. The District bills its property owners monthly for the general operations fee. The general operations fee is recorded as revenue for budget purposes with no future obligation of repayment.

Expenditures

General and Administrative Expenditures

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

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Operations and Maintenance

Operations and maintenance expenditures have been provided based on estimates of the District's Board of Directors and consultants and include costs associated with the operations and maintenance of certain facilities and improvements throughout the District.

Debt Service

The principal and interest payments are provided based on the debt amortization schedules from the General Obligation Refunding Bonds, Series 2017A-1 and Series 2017A-2 (discussed under Debt and Leases).

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

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 issuances 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 and the 2017A-2 Reserve Fund); and (iii) paying costs of issuance of the 2017 Bonds.

The 2017 Bonds, mature on December 1, 2047 with an 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, 2047 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, 2047 and on any date thereafter, at a redemption price equal to the par amount thereof plus accrued interest to the redemption date.

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.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases– (continued)

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 has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

Debt Service Reserve

At time of issuance of the 2017 Bonds, the 2017A-1 Reserve Fund and the 2017A-2 Reserve Fund have been established for the purpose of paying the principal and/or interest on Series 2017A-1 and Series 2017A-2 to the extent the moneys in the Fond Fund are insufficient for such purpose. The 2017A-1

Reserve Fund and 2017A-2 Reserve Fund are required to be maintained at all times in the amounts of \$1,687,625 and \$149,750, respectively.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
SCHEDULE OF OUTSTANDING BONDED DEBT SERVICE
REQUIREMENTS TO MATURITY**

**\$44,690,000 General Obligation Refunding Bonds,
Series 2017 A-1
Dated December 1, 2017
Interest - 3.000% - 5.000%
Payable June 1 and December 1
Principal Due December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	705,000	2,010,175	2,715,175
2026	785,000	1,985,500	2,770,500
2027	815,000	1,958,025	2,773,025
2028	895,000	1,929,500	2,824,500
2029	940,000	1,884,750	2,824,750
2030	1,045,000	1,837,750	2,882,750
2031	1,100,000	1,785,500	2,885,500
2032	1,210,000	1,730,500	2,940,500
2033	1,270,000	1,670,000	2,940,000
2034	1,390,000	1,606,500	2,996,500
2035	1,460,000	1,537,000	2,997,000
2036	1,595,000	1,464,000	3,059,000
2037	1,675,000	1,384,250	3,059,250
2038	1,820,000	1,300,500	3,120,500
2039	1,910,000	1,209,500	3,119,500
2040	2,070,000	1,114,000	3,184,000
2041	2,170,000	1,010,500	3,180,500
2042	2,345,000	902,000	3,247,000
2043	2,460,000	784,750	3,244,750
2044	2,650,000	661,750	3,311,750
2045	2,780,000	529,250	3,309,250
2046	2,985,000	390,250	3,375,250
2047	4,820,000	241,000	5,061,000
	<u>\$ 43,815,000</u>	<u>\$ 41,283,000</u>	<u>\$ 85,098,000</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
SCHEDULE OF OUTSTANDING BONDED DEBT SERVICE
REQUIREMENTS TO MATURITY**

\$3,945,000 General Obligation Refunding Bonds,

Series 2017 A-2

Dated December 1, 2017

Interest - 3.000% - 5.000%

Payable June 1 and December 1

Principal Due December 1

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	65,000	177,750	242,750
2026	70,000	175,475	245,475
2027	65,000	173,025	238,025
2028	80,000	170,750	250,750
2029	85,000	166,750	251,750
2030	95,000	162,500	257,500
2031	95,000	157,750	252,750
2032	105,000	153,000	258,000
2033	110,000	147,750	257,750
2034	125,000	142,250	267,250
2035	130,000	136,000	266,000
2036	140,000	129,500	269,500
2037	150,000	122,500	272,500
2038	160,000	115,000	275,000
2039	170,000	107,000	277,000
2040	185,000	98,500	283,500
2041	190,000	89,250	279,250
2042	205,000	79,750	284,750
2043	220,000	69,500	289,500
2044	235,000	58,500	293,500
2045	245,000	46,750	291,750
2046	265,000	34,500	299,500
2047	425,000	21,250	446,250
	<u>\$ 3,870,000</u>	<u>\$ 3,650,500</u>	<u>\$ 7,520,500</u>

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SOUTHLANDS METROPOLITAN DISTRICT NO. 1
SCHEDULE OF OUTSTANDING BONDED DEBT SERVICE
REQUIREMENTS TO MATURITY

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 555,000	\$ 2,290,225	\$ 2,845,225
2021	570,000	2,273,575	2,843,575
2022	640,000	2,256,475	2,896,475
2023	665,000	2,237,275	2,902,275
2024	745,000	2,214,000	2,959,000
2025	770,000	2,187,925	2,957,925
2026	855,000	2,160,975	3,015,975
2027	880,000	2,131,050	3,011,050
2028	975,000	2,100,250	3,075,250
2029	1,025,000	2,051,500	3,076,500
2030	1,140,000	2,000,250	3,140,250
2031	1,195,000	1,943,250	3,138,250
2032	1,315,000	1,883,500	3,198,500
2033	1,380,000	1,817,750	3,197,750
2034	1,515,000	1,748,750	3,263,750
2035	1,590,000	1,673,000	3,263,000
2036	1,735,000	1,593,500	3,328,500
2037	1,825,000	1,506,750	3,331,750
2038	1,980,000	1,415,500	3,395,500
2039	2,080,000	1,316,500	3,396,500
2040	2,255,000	1,212,500	3,467,500
2041	2,360,000	1,099,750	3,459,750
2042	2,550,000	981,750	3,531,750
2043	2,680,000	854,250	3,534,250
2044	2,885,000	720,250	3,605,250
2045	3,025,000	576,000	3,601,000
2046	3,250,000	424,750	3,674,750
2047	5,245,000	262,250	5,507,250
	<u>\$ 47,685,000</u>	<u>\$ 44,933,500</u>	<u>\$ 92,618,500</u>

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SOUTHLANDS METROPOLITAN DISTRICT # 1
Schedule of Cash Position
April 30, 2020
Updated as of June 8, 2020

	General Fund	Operations Fee Fund	Debt Service Fund	Capital Projects Fund	Total
<u>FirstBank - Checking Account</u>					
Balance as of 04/30/20	\$ 10,937.31	\$ 243,423.98	\$ -	\$ 3,710.04	\$ 258,071.33
Subsequent activities:					
May GOF Deposit	-	182,375.27	-	-	182,375.27
May Debit Card Purchase	-	(2,005.30)	-	-	(2,005.30)
05/05/20 - Vouchers payable	(15,069.37)	(46,702.47)	-	(42,434.80)	(104,206.64)
05/13/20 - Directors fees	(430.60)	-	-	-	(430.60)
05/15/20 - Transfer from Colotrust	50,000.00	100,000.00	-	-	150,000.00
05/19/20 - Vouchers payable	(18,566.77)	(224,151.03)	-	(11,766.06)	(254,483.86)
05/28/20 - Transfer from Colotrust	-	150,000.00	-	-	150,000.00
05/29/20 - Reimbursement for ice melt	-	4,019.43	-	-	4,019.43
06/01/20 - GOF refunds	-	(123,976.06)	-	-	(123,976.06)
Anticipated Requisition #15	-	-	-	50,490.82	50,490.82
<i>Anticipated Balance</i>	<u>26,870.57</u>	<u>282,983.82</u>	<u>-</u>	<u>-</u>	<u>309,854.39</u>
<u>Colotrust</u>					
Balance as of 04/30/20	1,341,658.56	922,417.04	-	-	2,264,075.60
Subsequent activities:					
05/10/20 - Tax distributions	177,889.50	-	902,541.46	-	1,080,430.96
05/15/20 - Transfer to checking	(50,000.00)	(100,000.00)	-	-	(150,000.00)
05/15/20 - Transfer to A-1 Bond Fund	-	-	(813,596.71)	-	(813,596.71)
05/15/20 - Transfer to A-2 Bond Fund	-	-	(88,944.75)	-	(88,944.75)
05/28/20 - Transfer to checking	-	(150,000.00)	-	-	(150,000.00)
05/31/20 - Interest income	917.27	630.64	-	-	1,547.91
<i>Anticipated Balance</i>	<u>1,470,465.33</u>	<u>673,047.68</u>	<u>-</u>	<u>-</u>	<u>2,143,513.01</u>
<u>UMB - 2017 A-1 Bond Fund</u>					
Balance as of 04/30/20	-	-	1,106,864.70	-	1,106,864.70
Subsequent activities:					
05/15/20 - Transfer from Colotrust	-	-	813,596.71	-	813,596.71
05/31/20 - Interest income	-	-	6.12	-	6.12
06/01/20 - Interest payment	-	-	(1,052,125.00)	-	(1,052,125.00)
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>868,342.53</u>	<u>-</u>	<u>868,342.53</u>
<u>UMB - 2017 A-1 Reserve Fund</u>					
Balance as of 04/30/20	-	-	1,694,326.06	-	1,694,326.06
Subsequent activities:					
05/31/20 - Interest income	-	-	13.80	-	13.80
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>1,694,339.86</u>	<u>-</u>	<u>1,694,339.86</u>
<u>UMB - 2017 A-2 Bond Fund</u>					
Balance as of 04/30/20	-	-	153,527.94	-	153,527.94
Subsequent activities:					
05/15/20 - Transfer from Colotrust	-	-	88,944.75	-	88,944.75
05/31/20 - Interest income	-	-	0.88	-	0.88
06/01/20 - Interest payment	-	-	(92,987.50)	-	(92,987.50)
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>149,486.07</u>	<u>-</u>	<u>149,486.07</u>
<u>UMB - 2017 A-2 Reserve Fund</u>					
Balance as of 04/30/20	-	-	150,344.82	-	150,344.82
Subsequent activities:					
05/31/20 - Interest income	-	-	1.20	-	1.20
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>150,346.02</u>	<u>-</u>	<u>150,346.02</u>
<u>UMB - 2017 A-2 Project Fund</u>					
Balance as of 04/30/20	-	-	-	86,080.11	86,080.11
Subsequent activities:					
05/31/20 - Interest income	-	-	-	0.60	0.60
Anticipated Requisition #15	-	-	-	(50,490.82)	(50,490.82)
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,589.89</u>	<u>35,589.89</u>
<i>Anticipated Balances</i>	<u>\$ 1,497,335.90</u>	<u>\$ 956,031.50</u>	<u>\$ 2,862,514.48</u>	<u>\$ 35,589.89</u>	<u>\$ 5,351,471.77</u>
<u>Current Yield - 05/31/20</u>					
Colotrust -.72%					
UMB (Invested in Fidelity money market) - 0.01%					

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SOUTHLANDS METROPOLITAN DISTRICT #1

Property Tax Reconciliation Schedule

2020

	Current Year									Prior Year		
	Property Taxes	Net Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 165.92	\$ -	\$ 20,681.00	\$ (0.17)	\$ (2.37)	\$ -	\$ 20,844.38	0.00%	0.00%	\$ 20,675.54	0.03%	0.03%
February	555,522.31	69.29	21,618.13	-	(8,333.87)	-	568,875.86	15.99%	15.99%	540,334.68	16.53%	16.56%
March	280,118.66	-	19,062.89	3.48	(4,201.83)	-	294,983.20	8.06%	24.05%	1,560,711.51	49.46%	66.02%
April	1,084,046.22	-	12,645.44	-	(16,260.70)	-	1,080,430.96	31.20%	55.25%	418,404.98	12.91%	78.93%
May	-	-	-	-	-	-	-	0.00%	55.25%	129,961.69	3.54%	82.46%
June	-	-	-	-	-	-	-	0.00%	55.25%	537,464.00	16.54%	99.00%
July	-	-	-	-	-	-	-	0.00%	55.25%	25,060.99	0.18%	99.18%
August	-	-	-	-	-	-	-	0.00%	55.25%	34,000.33	0.34%	99.53%
September	-	-	-	-	-	-	-	0.00%	55.25%	23,213.69	0.05%	99.57%
October	-	-	-	-	-	-	-	0.00%	55.25%	19,999.35	0.02%	99.59%
November	-	-	-	-	-	-	-	0.00%	55.25%	24,128.08	0.01%	99.60%
December	-	-	-	-	-	-	-	0.00%	55.25%	21,057.10	0.01%	99.61%
	\$ 1,919,853.11	\$ 69.29	\$ 74,007.46	\$ 3.31	\$ (28,798.77)	\$ -	\$ 1,965,134.40	55.25%	55.25%	\$ 3,355,011.94	99.61%	99.61%

	Taxes Levied	% of Levied	Property Tax Collected	% Collected to Amt. Levied
<u>Property Tax</u>				
General Fund	\$ 555,386	16.47%	\$ 307,763.60	55.41%
Debt Service (2017 A-1)	2,538,907	75.29%	1,406,919.03	55.41%
Debt Service (2017 A-2)	277,693	8.24%	153,881.79	55.41%
Debt Only (2017 A-1)	103,018	100.00%	51,349.95	49.85%
	\$ 3,475,004		\$ 1,919,914.37	55.25%
<u>Specific Ownership Tax</u>				
General Fund	\$ 33,320	16.48%	\$ 11,828.10	35.50%
Debt Service (2017 A-1)	152,220	75.29%	54,071.31	35.50%
Debt Service (2017 A-2)	16,640	8.24%	5,914.06	35.50%
Debt Only (2017 A-1)	6,140	100.00%	2,193.99	35.70%
	\$ 208,320		\$ 74,007.46	35.53%
<u>Treasurer's Fees</u>				
General Fund	\$ (8,331)	16.47%	\$ (4,616.47)	55.40%
Debt Service (2017 A-1)	(38,084)	75.29%	(21,103.82)	55.40%
Debt Service (2017 A-2)	(4,165)	8.24%	(2,308.23)	55.40%
Debt Only (2017 A-1)	(1,545)	100.00%	(770.25)	49.90%
	\$ (52,125)		\$ (28,798.77)	55.25%

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Billing Name		Sq. ft Percentage of Total	2020 Budgeted Monthly Billing	January	February	March	April	May	June	July	August	September	October	November	December
TJ Max/ Michaels/ Mens Warehouse	355,168	5.01%	\$ 9,776.45	\$ 9,776.45	\$ 9,776.45	9,776.45	\$ 9,776.45								
T-Mobile/ Cleaners	54,060	0.76%	\$ 1,488.07	1,488.07	1,488.07	1,488.07	1,488.07	1,488.07							
Centura Health	87,445	1.23%	\$ 2,407.03	2,407.04	2,407.04	2,407.04	2,407.04	2,407.04							
Centura Health (Lot 4 - new)	44,612	0.63%	\$ 1,228.00	1,228.00	1,228.00	1,228.00	1,228.00	1,228.00							
Centura Health (Lot 5 - new)	39,868	0.56%	\$ 1,097.42	1,097.42	1,097.42	1,097.42	1,097.42	1,097.42							
Chili's	89,142	1.26%	\$ 2,453.75	2,453.75	2,453.75	2,453.75	2,453.75								
Discount Tire	38,465	0.54%	\$ 1,058.80	1,058.80	1,058.80	1,058.80	1,058.80	1,058.80							
Fitzsimons Credit Union	46,533	0.66%	\$ 1,280.88	1,280.88	1,280.88	1,280.88	1,280.88								
GMRI - Olive Garden	79,836	1.13%	\$ 2,197.59	2,197.59	2,197.59	2,197.59	2,197.59	2,197.59							
GMRI - Red Lobster	77,186	1.09%	\$ 2,124.64	2,124.64	2,124.64	2,124.64	2,124.64								
Good Times	54,758	0.77%	\$ 1,507.28	1,507.28	1,507.28	1,507.28	1,507.28	1,507.28							
HV-1	70,453	0.99%	\$ 1,939.31	1,939.31	1,939.31	1,939.31	1,939.31	1,939.31							
JC Penney	431,671	6.09%	\$ 11,882.29	11,882.29	11,882.29	11,882.29	11,882.29	11,882.29							
Jim N Nick's	68,453	0.97%	\$ 1,884.26	1,884.26	1,884.26	1,884.26	1,884.26	1,884.26							
Lazy Dog	24,096	0.34%	\$ 663.27	663.27	663.27	663.27	663.27	663.27							
Office Depot	71,045	1.00%	\$ 1,955.60	1,955.60	1,955.60	1,955.60	1,955.60	1,955.60							
Jewelers/GNC/ Sprint	43,457	0.61%	\$ 1,196.21	1,196.21	1,196.21	1,196.21	1,196.21								
Mister Hot Shine	68,266	0.96%	\$ 1,879.11	1,879.11	1,879.11	1,879.11	1,879.11	1,879.11							
Mountain Del, LLC/ Colorado Del, LLC	58,738	0.83%	\$ 1,616.84	1,616.84	1,616.84	1,616.84	1,616.84								
NWSL Power Center, LLC	1,358,624	19.18%	\$ 37,397.84	37,397.85	37,397.85	37,397.85	37,397.85	37,397.85							
NWSLTown Center, LLC.	1,593,198	22.49%	\$ 43,854.78	43,854.76	43,854.76	43,854.76	43,854.76	43,854.76							
On The Border	85,900	1.21%	\$ 2,364.51	2,364.51	2,364.51	2,364.51	2,364.51								
Dental/Five Guys	71,800	1.01%	\$ 1,976.39	1,976.39	1,976.39	1,976.39	1,976.39	1,976.39							
PF Changs	76,567	1.08%	\$ 2,107.60	2,107.60	2,107.60	2,107.60	2,107.60								
Marriott	142,112	2.01%	\$ 3,911.81	3,911.81	3,911.81	3,911.81	3,911.81								
Service Street Auto Repair	40,498	0.57%	\$ 1,114.76	1,114.76	1,114.76	1,114.76	1,114.76								
Village Inn	60,205	0.85%	\$ 1,657.22	1,657.22	1,657.22	1,657.22	1,657.22								
Vision Works/SLC	47,629	0.67%	\$ 1,311.05	1,311.05	1,311.05	1,311.05	1,311.05								
Wal-Mart	1,128,974	15.94%	\$ 31,076.44	31,076.44	31,076.44	31,076.44	31,076.44	29,496.06							
Wal-Mart/Sams Club	566,597	8.00%	\$ 15,596.30	15,596.30	15,596.30	15,596.30	15,596.30	15,596.30							
Wells Fargo	56,923	0.80%	\$ 1,566.88	1,566.88	1,566.88	1,566.88	1,566.88	1,566.88							
Wong 444, Inc./KFC/Harman	51,864	0.73%	\$ 1,427.62	1,427.62	1,427.62	1,427.62	1,427.62								
Monthly	7,084,143	100%	\$ 195,000.00	\$ 195,000.00	\$ 195,000.00	\$ 195,000.00	\$ 195,000.00	\$ 158,529.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Year-to-Date				\$ 195,000.00	\$ 390,000.00	\$ 585,000.00	\$ 780,000.00	\$ 938,529.41	\$ 938,529.41	\$ 938,529.41	\$ 938,529.41	\$ 938,529.41	\$ 938,529.41	\$ 938,529.41	\$ 938,529.41

AR - 111050		Unearned Revenue - 113141	
TJ Max/ Michaels/ Mens Warehouse	9,776.45		
T-Mobile/ Cleaners	1,488.07		
Chili's	2,453.75		
Discount Tire	1,058.80		
Fitzsimons Credit Union	1,280.88		
GMRI - Red Lobster	2,124.64		
Jewelers/GNC/ Sprint	1,196.21		
Mountain Del, LLC/ Colorado Del, LLC	1,616.84		
On The Border	2,364.51		
PF Changs	2,107.60		
Marriott	3,911.81		
Service Street Auto Repair	1,114.76		
Village Inn	1,657.22		
Vision Works/SLC	1,311.05		
Wal-Mart	1,580.38		
Wong 444, Inc./KFC/Harman	1,427.62		
	<u>\$ 36,470.59</u>		
Rounding	-		
GOF Revenue	\$ 975,000		

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
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INSERT INDEPENDENT AUDITOR'S REPORT

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	<u>21,176,558</u>
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	2,529,654
Total Deferred Outflows of Resources	<u>2,529,654</u>
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	<u>51,933,931</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	3,475,004
Total Deferred Inflows of Resources	<u>3,475,004</u>
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	<u>(13,081,705)</u>
Total Net Position	<u><u>\$ (31,702,723)</u></u>

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
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS	<u>Expenses</u>				
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	<u>2,473,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,473,936)</u>
Total Governmental Activities	<u>\$ 5,960,324</u>	<u>\$ 1,644,298</u>	<u>\$ 13,736</u>	<u>\$ -</u>	<u>(4,302,290)</u>
GENERAL REVENUES					
Property Taxes					3,153,120
Specific Ownership Taxes					248,160
Net Investment Income					<u>99,371</u>
					<u>3,500,651</u>
CHANGE IN NET POSITION					(801,639)
Net Position - Beginning of Year					<u>(30,901,084)</u>
NET POSITION - END OF YEAR					<u>\$ (31,702,723)</u>

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	<u>\$ 1,859,373</u>	<u>\$ 1,644,231</u>	<u>\$ 5,275,890</u>	<u>\$ 102,373</u>	<u>\$ 8,881,867</u>
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	<u>30,947</u>	<u>1,164,780</u>	<u>500</u>	<u>10,649</u>	<u>1,206,876</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	555,386	-	2,919,618	-	3,475,004
Total Deferred Inflows of Resources	<u>555,386</u>	<u>-</u>	<u>2,919,618</u>	<u>-</u>	<u>3,475,004</u>
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	<u>1,273,040</u>	<u>479,451</u>	<u>2,355,772</u>	<u>91,724</u>	<u>4,199,987</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,859,373</u>	<u>\$ 1,644,231</u>	<u>\$ 5,275,890</u>	<u>\$ 102,373</u>	

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	<u>\$ 1,273,040</u>	<u>\$ 479,451</u>	<u>\$ 2,355,772</u>	<u>\$ 91,724</u>	<u>\$ 4,199,987</u>

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
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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.

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
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Change in Net Position of Governmental Activities	\$ (801,639)
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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	<u>\$ 520,879</u>	<u>\$ 1,273,040</u>	<u>\$ 752,161</u>

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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	<u>2,506,992</u>
Total Cash and Investments	<u><u>\$ 5,317,818</u></u>

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

Deposits with Financial Institutions	\$ 582,484
Investments	<u>4,735,334</u>
Total Cash and Investments	<u><u>\$ 5,317,818</u></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.

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
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		<u>\$ 4,735,334</u>

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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
<u>Primary Government:</u>				
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	<u>\$ 13,805,770</u>	<u>\$ 2,180,440</u>	<u>\$ (3,691,519)</u>	<u>\$ 12,294,691</u>

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

General Government	<u><u>\$ 1,521,728</u></u>
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NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 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	<u><u>\$ 51,167,450</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 631,247</u></u>	<u><u>\$ 50,536,203</u></u>	<u><u>\$ 700,324</u></u>

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>\$ 43,815,000</u>	<u>\$ 41,283,000</u>	<u>\$ 85,098,000</u>

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>\$ 3,870,000</u>	<u>\$ 3,650,500</u>	<u>\$ 7,520,500</u>

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:

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization (Continued)

	Amount	Amount	Authorization Used				Authorized But Unissued
	Authorized on November 5, 2002	Authorized on November 4, 2008	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	<u>\$ 113,000,000</u>	<u>\$ 560,000,000</u>	<u>\$ 36,509,000</u>	<u>\$ 22,431,000</u>	<u>\$ 4,250,000</u>	<u>\$ 3,945,000</u>	<u>\$ 605,865,000</u>

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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	<u>\$ (19,106,487)</u>

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	<u>\$ 485,469</u>

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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	<u>2,874,954</u>	<u>2,938,847</u>	<u>63,893</u>
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	<u>2,841,000</u>	<u>2,835,892</u>	<u>5,108</u>
NET CHANGE IN FUND BALANCE	33,954	102,955	69,001
Fund Balance - Beginning of Year	<u>2,269,446</u>	<u>2,252,817</u>	<u>(16,629)</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,303,400</u>	<u>\$ 2,355,772</u>	<u>\$ 52,372</u>

**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	<u>\$ 43,815,000</u>	<u>\$ 41,283,000</u>	<u>\$ 85,098,000</u>	<u>\$ 3,870,000</u>	<u>\$ 3,650,500</u>	<u>\$ 7,520,500</u>	<u>\$ 47,685,000</u>	<u>\$ 44,933,500</u>	<u>\$ 92,618,500</u>

**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		Total Property Taxes		Percent Collected to Levied	Abatements	Collected Less Abatements	Percent Collected Less Abatements to Levied
			General Operations	Debt Service	Levied	Collected				
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 37.500 \$ 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)

<u>Class</u>	<u>Total Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
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	<u><u>\$ 82,560,167</u></u>	<u><u>100.00%</u></u>

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

Taxpayers Within The District

<u>Taxpayer Name</u>	<u>2019 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation (1)</u>
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	<u>\$ 46,307,489</u>	<u>56.10%</u>

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

* Note: Debt only (not in the District)

Taxpayers Within The Excluded Property

<u>Taxpayer Name</u>	<u>2019 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation (1)</u>
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	<u>\$ 3,219,321</u>	<u>100.00%</u>

(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
				<u>\$ 7,087,952</u>

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%

TEMPORARY REVOCABLE LICENSE AGREEMENT

This **TEMPORARY REVOCABLE LICENSE AGREEMENT**, including any and all exhibits attached hereto (“**Agreement**”), is made and entered into this ____ day of _____, 2020, between **SOUTHLANDS METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”) and _____, (the “**Licensee**”). The District and Licensee are collectively referred to herein as the “**Parties**”.

Recitals

In light of the social distancing imperative reflected in currently operative COVID-19 related “Government Orders”, Licensee desires to obtain a temporary license from the District to use certain outdoor areas owned by the District as more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference, in order to provide an outdoor expanded dining area (the “**Expanded Dining Area**”). The District is willing to grant a temporary, revocable license to the Licensee under the terms and conditions set forth in this Agreement in order for Licensee to use the Expanded Dining Area to offer outdoor seating for dining in order to replace lost indoor seating and to allow for greater physical and social distancing.

Agreement

1. Commencing on the date that the City of Aurora (“**City**”) issues a Temporary Use Permit to Licensee pursuant to the City’s program to allow for the temporary expansion of restaurants (“**Temporary Restaurant Expansion Program**”), and expiring at the earliest to occur of (i) the end date of the City’s Temporary Restaurant Expansion Program, (ii) the lifting of Government Orders which would allow restaurant’s to achieve 100% occupancy, without restrictions, or (iii) July 1, 2020 (“**Term**”), unless said Term is otherwise extended in writing by the District, the District grants a revocable, temporary license (“**License**”) to the Licensee to occupy and use the Expanded Dining Area consisting of [sidewalks, parking spaces, closed street, etc.] as depicted on **Exhibit A**, which area has been mutually agreed upon by the Parties, to offer outdoor seating for dining for Licensee’s establishment. Licensee shall be responsible for providing tables, chairs, and other equipment necessary for outdoor dining. Licensee shall obtain the District’s prior written approval with respect to the location and size of any temporary signage, canopies, or temporary lighting associated with the Expanded Dining Area. The Licensee shall ensure that there are lines of delineation through cones, ropes or other barriers signifying the location of the Expanded Dining Area. Licensee shall provide such equipment or coordinate with the District to ensure that there are adequate lines of delineation. In the exercise by Licensee of the License provided under this Agreement, Licensee shall not further encroach on District property without the District’s prior written approval, which approval may be withheld in the District’s sole and absolute discretion.

2. Licensee’s use of the Expanded Dining Area shall at all times comply with all applicable federal, state, and local rules, requirements, regulations, ordinances and laws.

a. License shall obtain all permits required by the City and the State of Colorado. Licensee may only serve alcohol if it has obtained any necessary approvals from the City and the State of Colorado, including, if necessary, a Liquor License Premise Modification allowing for the extension of Licensee’s liquor license to an outdoor location.

b. Licensee shall ensure compliance with all federal, state and local public health orders, including amendments thereto, that are in place to prevent the spread of COVID-19.

c. Licensee’s use of the Expanded Dining Area shall comply with the Americans with Disabilities Act. A clear travel path meeting ADA accessible path requirements must be maintained at all times.

5. Licensee will not permit its use or operation of the Expanded Dining Area to become a disturbance or nuisance to other tenants in the Shopping Center or to other third-parties, and will maintain the Expanded Dining Area in a clean and orderly condition that is free of trash and other debris. Licensee shall be responsible for removing any and all tables, chairs, canopies, signage and other equipment utilized for outdoor dining at the termination or expiration of the License granted by this Agreement.

6. Licensee shall not utilize the Expanded Dining Area for activities that might promote congregating, involve shared equipment, or amplify sound, including, but not limited to standing areas, live music, dancing, outdoor games, movies, or broadcast sports. Should Licensee desire to utilize the Expanded Dining Area for activities other than outdoor

dining, Licensee shall submit a separate request to the District, and shall obtain prior written approval from the District prior to engaging in such activities.

7. The District shall have the right to terminate and revoke this Agreement in the event of a breach of any of the covenants set forth in this Agreement if Licensee shall fail to cure such breach within 24 hours.

8. Licensee shall obtain and maintain in full force and effect during the term of this Agreement, at its sole cost and expense, general liability insurance, naming the District as an additional insured, as more fully set forth in in **Exhibit B**, attached hereto and incorporated by this reference.

9. Licensee agrees to hold harmless and indemnify the District, its directors, officers, agents, contractors, and consultants from and against any and all losses, damages, claims, liabilities, suits, judgments, costs, expenses and reasonable attorneys' fees arising directly or indirectly, in whole or in part, out of, from or in connection with this License Agreement, the use of the License or Expanded Dining Area by Licensee, or any activities conducted by Licensee on the Expanded Dining Area, it being the intent that the Licensee and not the District bear any and all risk associated with the use of the Expanded Dining Area. The provisions of this Section 9 shall survive any expiration or termination of this Agreement.

10. THE DISTRICT HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE EXPANDED DINING AREA, ITS FITNESS FOR ANY PARTICULAR PURPOSE, OR THE SUITABILITY OF THE EXPANDED DINING AREA FOR THE PURPOSES OR NEEDS OF THE LICENSEE. THE LICENSEE, UPON EXERCISING THE LICENSE TO USE THE EXPANDED DINING AREA IS SATISFIED THAT THE EXPANDED DINING AREA IS SUITABLE AND FIT FOR ITS PURPOSES. THE DISTRICT SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE LICENSEE OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, FOR THE USE OR MAINTENANCE OF THE EXPANDED DINING AREA OR FOR ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED. LICENSEE'S USE OF THE EXPANDED DINING AREA IS "AS-IS, WHERE-IS, WITH ALL FAULTS.

11. The use of the Expanded Dining Area may be temporarily suspended by the District from time to time for purposes of performing repair, maintenance or cleaning work in or in the vicinity of the Expanded Dining Area upon two (2) business days prior written notice, provided such notice period may be shortened in the case of an emergency or the presence of a hazardous condition.

12. Licensee may not assign or transfer this Agreement or the License, or sublicense the Expanded Dining Area, without the prior written consent of the District.

13. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado, without reference to the conflicts of law principles thereof. In the event of any action brought by either party against the other under this Agreement, the prevailing party shall be entitled to recover its reasonable fees of its attorneys and court costs in such action.

14. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, Title 24, Article 10, Part 1 of the Colorado Revised Statutes.

District:	Licensee:
By: Southlands Metropolitan District No. 1	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT A
(Depiction of Expanded Dining Area)

EXHIBIT B
(District Insurance Requirements)

**INSURANCE REQUIREMENTS IF UTILIZING DISTRICT PROPERTY FOR TEMPORARY
OUTDOOR SEATING**

You must call your insurance agent or broker to request a certificate of insurance specifically for the temporary outdoor seating under this Agreement. Copies of an existing certificate, insurance declaration page, a “Certificate of Coverage”, or insurance binder will not be accepted.

1. The certificate of insurance must show the **Southlands Metropolitan District No. 1, c/o Special District Management Services, Inc., 141 Union Blvd., Suite 150, Lakewood, Colorado 80228** in the space identified for Certificate Holder.
2. The certificate of insurance must indicate that Southlands Metropolitan District No. 1 is an additional insured under Licensee’s liability policy in the description of operations box.
3. The certificate of insurance (COI) must indicate a limit of at least \$1,000,000 (or more) per occurrence in liability insurance, and \$2,000,000 (or more) general aggregate.
4. The agent/broker **MUST** describe the activity (Name, location, and date) for which the Agreement is in effect in the section of the certificate titled “*Description of Operations/Locations/Exclusions Added by Endorsement/Special Provisions.*”
5. If alcohol is going to be served or sold, the liability policy must include and specifically reference liquor liability insurance of \$1 million, and it **MUST** include a description of the operations/location.
6. The named insured and the Licensee must be the same or an explanation provided (e.g. DBA or description of the event and connection to the party) must be provided.

You may email or fax the certificate of insurance to the District. Contact information for the District is provided below.

Southlands Metropolitan District No. 1
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, Colorado 80228
Attn: Ann Finn
(303) 987-2032 (fax)
afinn@sdmsi.com

TEMPORARY REVOCABLE LICENSE AGREEMENT

This **TEMPORARY REVOCABLE LICENSE AGREEMENT**, including any and all exhibits attached hereto (**"Agreement"**), is made and entered into this 29th day of May, 2020, between **SOUTHLANDS METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the **"District"**) and BD of Colorado, LLC d/b/a Bad Daddy's Burger Bar, (the **"Licensee"**). The District and Licensee are collectively referred to herein as the **"Parties"**.

Recitals

In light of the social distancing imperative reflected in currently operative COVID-19 related "Government Orders", Licensee desires to obtain a temporary license from the District to use certain outdoor areas owned by the District as more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference, in order to provide an outdoor expanded dining area (the **"Expanded Dining Area"**). The District is willing to grant a temporary, revocable license to the Licensee under the terms and conditions set forth in this Agreement in order for Licensee to use the Expanded Dining Area to offer outdoor seating for dining in order to replace lost indoor seating and to allow for greater physical and social distancing.

Agreement

1. Commencing on the date that the City of Aurora (**"City"**) issues a Temporary Use Permit to Licensee pursuant to the City's program to allow for the temporary expansion of restaurants (**"Temporary Restaurant Expansion Program"**), and expiring at the earliest to occur of (i) the end date of the City's Temporary Restaurant Expansion Program, (ii) the lifting of Government Orders which would allow restaurant's to achieve 100% occupancy, without restrictions, or (iii) July 1, 2020 (**"Term"**), unless said Term is otherwise extended in writing by the District, the District grants a revocable, temporary license (**"License"**) to the Licensee to occupy and use the Expanded Dining Area consisting of [sidewalks, parking spaces, closed street, etc.] as depicted on **Exhibit A**, which area has been mutually agreed upon by the Parties, to offer outdoor seating for dining for Licensee's establishment. Licensee shall be responsible for providing tables, chairs, and other equipment necessary for outdoor dining. Licensee shall obtain the District's prior written approval with respect to the location and size of any temporary signage, canopies, or temporary lighting associated with the Expanded Dining Area. The Licensee shall ensure that there are lines of delineation through cones, ropes or other barriers signifying the location of the Expanded Dining Area. Licensee shall provide such equipment or coordinate with the District to ensure that there are adequate lines of delineation. In the exercise by Licensee of the License provided under this Agreement, Licensee shall not further encroach on District property without the District's prior written approval, which approval may be withheld in the District's sole and absolute discretion.

2. Licensee's use of the Expanded Dining Area shall at all times comply with all applicable federal, state, and local rules, requirements, regulations, ordinances and laws.

a. License shall obtain all permits required by the City and the State of Colorado. Licensee may only serve alcohol if it has obtained any necessary approvals from the City and the State of Colorado, including, if necessary, a Liquor License Premise Modification allowing for the extension of Licensee's liquor license to an outdoor location.

b. Licensee shall ensure compliance with all federal, state and local public health orders, including amendments thereto, that are in place to prevent the spread of COVID-19.

c. Licensee's use of the Expanded Dining Area shall comply with the Americans with Disabilities Act. A clear travel path meeting ADA accessible path requirements must be maintained at all times.

5. Licensee will not permit its use or operation of the Expanded Dining Area to become a disturbance or nuisance to other tenants in the Shopping Center or to other third-parties, and will maintain the Expanded Dining Area in a clean and orderly condition that is free of trash and other debris. Licensee shall be responsible for removing any and all tables, chairs, canopies, signage and other equipment utilized for outdoor dining at the termination or expiration of the License granted by this Agreement.

6. Licensee shall not utilize the Expanded Dining Area for activities that might promote congregating, involve shared equipment, or amplify sound, including, but not limited to standing areas, live music, dancing, outdoor games, movies, or broadcast sports. Should Licensee desire to utilize the Expanded Dining Area for activities other than outdoor

dining, Licensee shall submit a separate request to the District, and shall obtain prior written approval from the District prior to engaging in such activities.

7. The District shall have the right to terminate and revoke this Agreement in the event of a breach of any of the covenants set forth in this Agreement if Licensee shall fail to cure such breach within 24 hours.

8. Licensee shall obtain and maintain in full force and effect during the term of this Agreement, at its sole cost and expense, general liability insurance, naming the District as an additional insured, as more fully set forth in in **Exhibit B**, attached hereto and incorporated by this reference.

9. Licensee agrees to hold harmless and indemnify the District, its directors, officers, agents, contractors, and consultants from and against any and all losses, damages, claims, liabilities, suits, judgments, costs, expenses and reasonable attorneys' fees arising directly or indirectly, in whole or in part, out of, from or in connection with this License Agreement, the use of the License or Expanded Dining Area by Licensee, or any activities conducted by Licensee on the Expanded Dining Area, it being the intent that the Licensee and not the District bear any and all risk associated with the use of the Expanded Dining Area. The provisions of this Section 9 shall survive any expiration or termination of this Agreement.

10. THE DISTRICT HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE EXPANDED DINING AREA, ITS FITNESS FOR ANY PARTICULAR PURPOSE, OR THE SUITABILITY OF THE EXPANDED DINING AREA FOR THE PURPOSES OR NEEDS OF THE LICENSEE. THE LICENSEE, UPON EXERCISING THE LICENSE TO USE THE EXPANDED DINING AREA IS SATISFIED THAT THE EXPANDED DINING AREA IS SUITABLE AND FIT FOR ITS PURPOSES. THE DISTRICT SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE LICENSEE OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, FOR THE USE OR MAINTENANCE OF THE EXPANDED DINING AREA OR FOR ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED. LICENSEE'S USE OF THE EXPANDED DINING AREA IS "AS-IS, WHERE-IS, WITH ALL FAULTS.

11. The use of the Expanded Dining Area may be temporarily suspended by the District from time to time for purposes of performing repair, maintenance or cleaning work in or in the vicinity of the Expanded Dining Area upon two (2) business days prior written notice, provided such notice period may be shortened in the case of an emergency or the presence of a hazardous condition.

12. Licensee may not assign or transfer this Agreement or the License, or sublicense the Expanded Dining Area, without the prior written consent of the District.

13. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado, without reference to the conflicts of law principles thereof. In the event of any action brought by either party against the other under this Agreement, the prevailing party shall be entitled to recover its reasonable fees of its attorneys and court costs in such action.

14. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, Title 24, Article 10, Part 1 of the Colorado Revised Statutes.

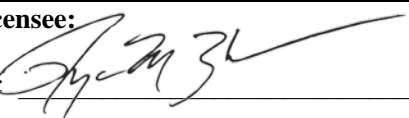
District:	Licensee:
By: Southlands Metropolitan District No. 1	By: 
Name: _____	Name: <u>Ryan M. Zink</u>
Title: _____	Title: <u>Manager, BD of Colorado, LLC</u>

EXHIBIT A (Depiction of Expanded Dining Area)

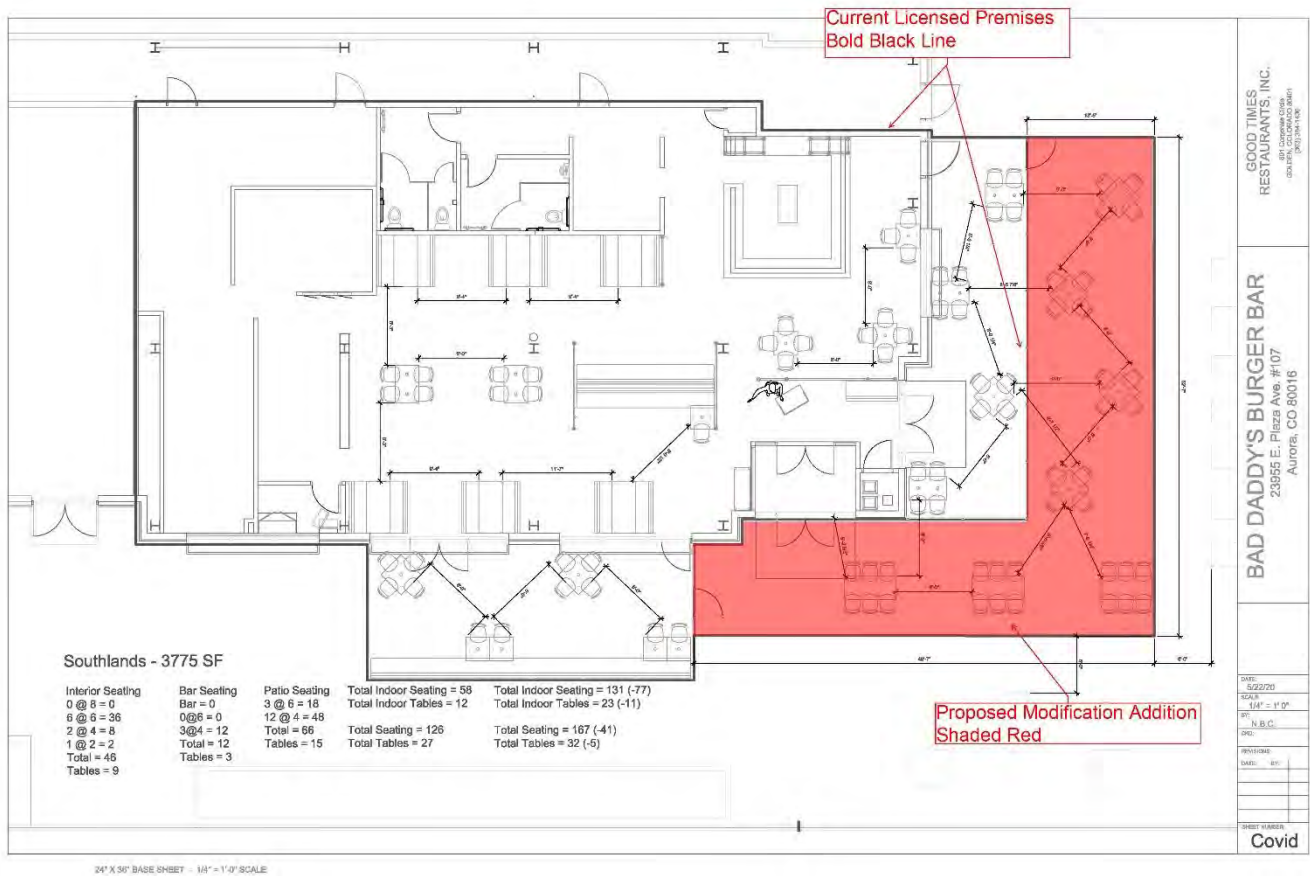


EXHIBIT B
(District Insurance Requirements)

**INSURANCE REQUIREMENTS IF UTILIZING DISTRICT PROPERTY FOR TEMPORARY
OUTDOOR SEATING**

You must call your insurance agent or broker to request a certificate of insurance specifically for the temporary outdoor seating under this Agreement. Copies of an existing certificate, insurance declaration page, a “Certificate of Coverage”, or insurance binder will not be accepted.

1. The certificate of insurance must show the **Southlands Metropolitan District No. 1, c/o Special District Management Services, Inc., 141 Union Blvd., Suite 150, Lakewood, Colorado 80228** in the space identified for Certificate Holder.
2. The certificate of insurance must indicate that Southlands Metropolitan District No. 1 is an additional insured under Licensee’s liability policy in the description of operations box.
3. The certificate of insurance (COI) must indicate a limit of at least \$1,000,000 (or more) per occurrence in liability insurance, and \$2,000,000 (or more) general aggregate.
4. The agent/broker **MUST** describe the activity (Name, location, and date) for which the Agreement is in effect in the section of the certificate titled “*Description of Operations/Locations/Exclusions Added by Endorsement/Special Provisions.*”
5. If alcohol is going to be served or sold, the liability policy must include and specifically reference liquor liability insurance of \$1 million, and it **MUST** include a description of the operations/location.
6. The named insured and the Licensee must be the same or an explanation provided (e.g. DBA or description of the event and connection to the party) must be provided.

You may email or fax the certificate of insurance to the District. Contact information for the District is provided below.

Southlands Metropolitan District No. 1
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, Colorado 80228
Attn: Ann Finn
(303) 987-2032 (fax)
afinn@sdmsi.com

SOUTHLANDS METROPOLITAN DISTRICT No. 1



May 29, 2020

City of Aurora
Permitting Department
15151 E. Alameda Parkway
Aurora, CO 80012

To Whom It May Concern:

The Southlands Metropolitan District No. 1 (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, owns certain real property located within the Southlands shopping center.

In connection with the temporary use permit process being used by the City of Aurora (“City”) to evaluate requests for temporary outdoor retail, which will allow restaurants and bars to operate in outdoor settings adjacent to their businesses to replace lost indoor seating (the “Temporary Outdoor Expansions for Restaurants Program”), applicants are required to submit evidence of “Permission of the property owner if required.”

Please accept this letter as evidence that the District has granted permission to BD of Colorado, LLC d/b/a Bad Daddy’s Burger Bar to use the District’s property as shown in Attachment 1 for purposes of the Temporary Outdoor Expansions for Restaurants Program.

Questions concerning this letter may be directed to the District Manager, Ann Finn of Special District Management Services, Inc., at (303) 987-0835.

Sincerely,

ADDENDUM B
SOUTHLANDS – METRO DISTRICT
CLEANING SPECIFICATIONS

General Conditions

1. Contractor's Supervisor or Foreman must be on site at all times during cleaning hours.
2. Contractor's Supervisor or Foreman must pick up from Management Office, daily by 4:45 pm, any complaint forms submitted by tenants and/or Southlands Management.
3. All cleaning personnel must conduct themselves in a kind and courteous manner when confronted by patrons, tenants and Southlands Management.
4. Contractor's employees must be organized in such a way as to create accountability for areas cleaned.
5. Necessary supplies are to be provided by Contractor for all areas of cleaning and maintenance of the property.
6. Contractor to provide all equipment needed for cleaning and maintenance of property. Contractor to also provide all equipment needed for the Janitorial Office, (computers, cell phones, radios, etc.).

Common Areas Daily Cleaning – Metro (138 hr based on fixed fee)

1. 6am-10am Monday-Sunday **28 hrs/wk**
 - Sweep / blow-off all tenant store entrances and maintain in a broom clean manner before stores open for business.
2. 10am-9pm Monday-Saturday **66 hrs/wk**
11am-8pm Sunday **9 hrs/wk**
 - Police throughout day the sidewalk and curb area directly outside of store entrances. Remove debris, spills, and cigarette butts as necessary.
3. Throughout Day **14 hrs/wk**
 - All trash receptacles must be emptied and wiped down to remove fingerprints, smudges, dirt and then relined with a new trash liner.
4. Each morning before opening and throughout Day **21 hrs/wk**
 - Wipe down all seating (benches, etc.) to remove soil and dew.
 - Clean all planters (pots included) and informational kiosks, for stains and debris.
 - Pick up trash from landscaped areas.

Common Area Pressure Washing – As Needed Based on Fixed Fee)

1. Power-wash all tenant store entrances to remove gum and stains.
2. Power-wash all public sidewalks to remove gum and stains.

NOTE: the above hours do NOT include the manager.

Ann Finn

From: Ann Finn
Sent: Wednesday, May 06, 2020 4:36 PM
To: 'Ross Mathson'
Cc: Skye Bailey
Subject: RE: SOMD No. 1 - common area cleaning contract

Hi Ross, Would you please send me the list of supplies. The District would have no use for vacuums or mop buckets. Thanks, Ann

From: Ross Mathson <RossMathson@millardgroup.com>
Sent: Wednesday, May 06, 2020 3:49 PM
To: Ann Finn <afinn@sdmsi.com>
Cc: Skye Bailey <sbailey@wilkow.com>
Subject: RE: SOMD No. 1 - common area cleaning contract

Hello Ann – below is our major equipment on site; this does not include smaller items like vacuums, mop buckets, etc.

John Deere Gator 6x4
John Deere Gator 4x2
Golf Cart
2 - Pressure Washer w/ tank
2 – Backpack blowers

Below this is the fixed fees for pressure washing to include the equipment used for pressure washing and supplies associated for maintaining the common area for the Metro area; I took this information from the latest invoice, the Supplies line includes fuel and supplies needed to maintain that area.

Equipment					593.64
Supplies					951.73

Ross Mathson
Vice President National Operations
7301 N. Cicero Avenue
Lincolnwood, IL 60712
(513) 746-9333 (mobile)
rossmathson@millardgroup.com



From: Ann Finn <afinn@sdmsi.com>
Sent: Friday, May 1, 2020 8:42 AM
To: Ross Mathson <RossMathson@millardgroup.com>



Millard Mall Services, Inc
7301 North Cicero
Lincolnwood, IL 60712
(847) 674-4100

INVOICE NO.	77478
DATE	04/02/20

CUSTOMER

Ann Finn
SDMS
141 Union Blvd., Suite 150
Lakewood, CO 80228-1898

APR 02 2020**SERVICE LOCATION**

Metro District Town Center
5460 S Quebec St Ste 100
Greenwood Village, CO 80111-1919

TERMS: Net 30	CUSTOMER NO. 861		P.O. NO.	
Description	Quantity	Unit of Measure	Price	Amount
March 1, 2020 to March 31, 2020				
Total Labor Dollars - Hourly	6218.51	Labor	0.3543	6,218.51
Percent Mark-up				2,203.22
Total Labor Dollars - Project Manager	2426.04	Labor	0.3899	2,426.04
Percent Mark-up				945.91
Equipment				593.64
Supplies				951.73
Rent				535.00
Dist. Name _____				
G/L Code _____				
Amount _____				
117802				13874.05
Dist. Mgr. Initials _____				
Sub-Total				13,874.05
Sales Tax				
TOTAL				\$13,874.05

▼ TO ENSURE PROPER CREDIT, PLEASE DETACH AND MAIL BOTTOM PORTION WITH YOUR PAYMENT ▼

ATTENTION:


Ann Finn
SDMS
141 Union Blvd., Suite 150
Lakewood, CO 80228-1898

PLEASE SEND REMITTANCE TO:

Millard Mall Services, Inc
35075 Eagle Way
Chicago, IL 60678-1350

Customer No.	861
Job No.	861009N
Invoice No.	77478
Invoice Date	04/02/20
Amount Due	\$13,874.05
Amount Remitted	

ip:ort

Manager	Rate	Total Hours	Wages	3/1	3/2	3/3	3/4	3/5	3/6	3/7	3/8	3/9	3/10	3/11	3/12	3/13	3/14	3/15	3/16	3/17	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25	3/26	3/27	3/28
	\$ 26.37	92.00	\$ 2,426.04	-	-	4	4	4	5	5	-	-	4	4	4	5	5	-	-	4	4	4	5	5	-	-	4	4	4	5	5

Millard Mall Services Inc.

Starting Dates: All
Sorted By: Employee Number
Maximum Security Level 8

Emp # Employee Name
Check Date
Compensation Description
67775 ~~03/06/20~~
03/06/20
Retro-Additional Pay-Hourly

Other Compensations Report

Check Dates: 03/01/20 To 03/31/20

03/31/20 1:39:38 PM Page 1 of 1

Emp #	Employee Name	Check Date	Compensation Description	Taxable Basis	Check #	Hire Date	Co #	Type	Term Date	Distribution	--Recurring with Limit--	Limit Amt	Cumulative	GL #	Job #	Employee Type	Applicable Hours
67775	03/06/20	03/06/20	Retro-Additional Pay-Hourly	900059732	Y One Time	08/06/16	1	Additional Comp		861-Southland (CO)		100.39		800100	861009N	Millard Mall Biweekly	
								Total:				100.39					0.00
								Grand Total:				100.39					0.00

GL #	Amount
Retro-Additional Pay-Hourly 800100	100.39
Grand Total	\$100.39

Recap by G/L # and Job

GL Account	G/L Description	Job #	Amount
800100	Labor Regular Hours	861009N	\$100.39
	Grand Total:		\$100.39

Note: Retro from 2/1/20 - 2/14/20 - 55.77 hrs @ \$1.80



**Millard Mall
Services, Inc.**

At your service since 1915

**COVID-19
Health and Safety
Reopening Plan**

April 30, 2020



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I. Message from Larry Kugler

To: Valued Millard Customers

From: Larry Kugler, President/CEO & Head Janitor

All of us have been deeply affected by the COVID-19 pandemic and have seen wide swaths of our economy shut down and many changes to our daily lives. As leaders at all levels of government start to chart the path back from this pandemic, we at Millard want to communicate our plans for reopening.

Though we expect that precise reopening timelines will vary from state to state and even city to city, it is abundantly clear that heightened cleaning and disinfection is one of the keys to getting the country back to work. We of course want to highlight how we can make your office buildings, shopping malls, university campuses, factories, and other facilities safe and ready to get back to business. But even more importantly, we want you to know that we will do it while keeping our frontline employees and your communities safe. Safety is our top priority.

For us, it's very simple: We Care.

Larry Kugler



II. Employee Health and Safety

a. Preparation and Training

Global Biorisk Advisory Council Microbial Warrior Certifications. Millard Area and Regional managers, as well as other senior operations executives, are all certified as Microbial Warriors by the Global Biorisk Advisory Council.

Site-Level Training. Our site-level managers have spent countless hours both training and preparing for the new reality. Our manager training includes training in new cleaning techniques and technologies, enhanced cleaning of touch points and other high traffic areas, the proper use of PPE, social distancing measures that will be deployed to keep our employees safe, and how to handle possible COVID-19 cases among our workforce or at a particular site.

Employee Re-Orientation. All Millard employees servicing your site, including employees called back to work, will go through a re-orientation program that will cover new cleaning and PPE procedures, as well as necessary social distancing measures.

b. Employees' Responsibilities

Hand Washing. All Millard employees have been instructed to wash their hands, or use sanitizer when a sink is not available, every 60 minutes for at least 20 seconds, and after any of the following: using the restroom, sneezing, blowing the nose, touching the face, smoking, eating, drinking, changing equipment or work area, going on break and before or after starting a shift

Personal Protective Equipment (PPE). Every Millard employee entering the jobsite will be provided with a mask and gloves and required to wear the mask and gloves at all times. Employees will also be trained in proper PPE use and disposal. Employees will be provided with other PPE as their job responsibilities require. Millard employees will use at all times appropriate PPE based on their roles and responsibilities and in compliance with local or state guidance.

Entry/Exit and Pre-Shift Meetings. Millard has revised its arrival/departure time clock procedures to maximize social distancing and avoid any crowding. Employees will be encouraged to clock in and out using a secure app on their personal mobile devices. Where app use is not possible, our employees have been trained to maintain proper social distancing at all times while using the time clock. Sanitizer will be available at each time



clock and employees will sanitize the time clock and their hands after each use. Employee shift times may also be staggered slightly to avoid unnecessary crowding. Meal and rest breaks will be staggered and staged to avoid crowding. Pre-shift meetings like safety meetings will be conducted consistent with social distancing principles.

Janitorial Equipment and Space. All equipment will be sanitized at the start and finish of every shift. Shared equipment will be sanitized each time it is transferred to another employee. This includes all spray bottles, mop and broom handles, mop bucket sides and handles, carts, garbage containers, vacuum handles, sweepers, scrubbers, pressure washers, and vehicle-handles, keys, doors, any other areas that may be touched. High touch areas in Millard's janitorial space will be sanitized regularly throughout the day. The use of shared food and beverage equipment (like coffee makers) will be discontinued in janitorial space.

Social Distancing. Millard employees will be trained to make every effort to maintain and respect social distancing measures during every part of the work day.

Signage. Signage will be posted in janitorial space storage areas to reinforce the new procedures and requirements.

Temperature Checks. Subject to ongoing supply chain delays holding up thermometer shipments, Millard will begin mandatory temperature checks for all employees prior to starting their shifts as soon as possible. As always, employees will be instructed to stay home if they are feeling unwell or have any potential symptoms of COVID-19 before the start of their shifts.



III. Possible/Confirmed COVID-19 in Employees

- a. Any employee showing signs of illness at work will be isolated and immediately sent home.
- b. Any employee with a suspected or confirmed case of COVID-19 will be placed on a 14-day sick leave, and will only be allowed to return to work once appropriately cleared.
- c. Millard will notify customers if any Millard employee has a suspected or confirmed case of COVID-19. Millard will be tracing the other Millard employees that the individual came into contact with to determine what other measures may be needed to keep employees and customers safe.



IV. Enhanced Cleaning Procedures

Regular Disinfection of High Touch Points. Cleaning staff shall prioritize using a disinfectant registered/approved for use against the SARS-CoV-2 virus for the cleaning of non-porous high touch point surfaces – surfaces that are regularly used and touched and that can cause contamination and spread of viruses and other pathogens. High touch points include:

- All door handles, doorknobs, and push plates, interior of revolving doors
- All handrails
- Elevator buttons
- Light switches
- Drinking fountains
- Faucets
- Restrooms-all handles, urinals, toilets, sinks, hand driers, dispensers, partitions, trash can lids
- Phones
- Coffee machines
- Microwave handles
- Tables and countertops in eating areas
- Countertops in security areas
- Workstations/countertops in tenant areas
- Trash cans, with an extra focus on lids
- Chairs-with a focus on arm rests and tops
- Tops and sides of cubicles

Focus on Proper Disinfection. High touch points will be disinfected according to the disinfectant manufacturers' guidelines, which call for applying disinfectant to a towel or rag, wiping the area thoroughly, and allowing the disinfectant sufficient dwell time to kill viruses and other pathogens. Employees have been trained to slow their cleaning speed to ensure sufficient disinfection. During cleaning times where tenants/customers may be present, day staff employees will be taking extra precautions to ensure proper disinfection time.

Disinfection Frequency. During operating hours, we recommend that high touch surfaces be disinfected at least hourly.

Recommended Changes in Scope. We also recommend changing the scope of work to reinforce the daytime cleaning staff to increase the visibility of disinfection efforts during the day while tenants and customers are present.

Customized Solutions for our Customers. Please note that certain locations may require different or additional focus and have different or additional high touch points. We will discuss and work with our customers individually as necessary to make sure that disinfection and cleaning are done according to their particular requirements and scope of work.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

141 Union Blvd., Suite 150, Lakewood, Colorado 80228

Phone: (303) 987-0835

SPECIAL EVENT / STREET CLOSURE

PERMIT APPLICATION

To Be Completed by District Staff:

Permit # SE

This form is only an application until validated by Southlands Metro District No. 1 staff.

Event
Date:

Received:

Approved:

Special Conditions:

To Be Completed by Applicant:

Organization or Applicant Name

Williams Family Markets

Contact Person

Jason Williams

Phone

303-596-8808

Mailing Address Street

7450 S. Yampa St.

City

Foxfield

State

CO

Zip

80016

Date of Event

06/06/2020

Time of Day

From: 08:00 ☒ A.M. ☐ P.M. To: 01:00 ☐ A.M. ☒ P.M.

Special Event Permit Information:

Please provide answers to the following questions. Address every item applicable to your event.

Name of Event/Purpose Southlands Farmer's Market

Location of Event E. State Avenue

How will Water be Supplied ☐ Bottled Water ☐ In Homes ☐ Other

Anticipated Attendance 1,000

How many bathrooms will be provided

Will food be served? ☐ Yes ☒ No

Who will provide the food?

Will alcohol be served? ☐ Yes ☒ No

Who will provide alcohol?

Will there be any temporary structures located in the right of way?

E. State Avenue will be blocked to prohibit traffic throughout the

What type of traffic control mechanism(s) will be used? ^{1,2}

Signs, cones, barricades, etc. for traffic control as well as adherence to Safety Guidelines

¹ Access for retailers and emergency services must be maintained throughout the event.

² The District does not provide traffic barricades for street closures. The applicant is responsible for all traffic control mechanisms.

Street Closure Information:

The following streets and rights of way will be closed during the event:

E. State Avenue. Through traffic will be available on Main Street.

Please read and check acknowledgement

☒ I hereby acknowledge that I have read this application and state that the above is correct. Any violation of the above noted terms will cause immediate revocation of this permit.

Applicant's Name	Jason Williams
------------------	----------------

Applicant's Name	Jason Williams	Applicant's Email	jason@thelocalcolorado.com
------------------	----------------	-------------------	----------------------------

Applicant's Signature: **Jason Williams**

Applicant's Signature **Jason Williams** Date **06/02/2020**

Digitally signed by Jason Williams
DN: cn=Jason Williams, c=us, email=jason@thelocalradio.com
Reason: I am the author of this document
Location: your spring location here
Date: 2009.06.02 15:24:39
Email: jason@thelocalradio.com, tel: 415 234 3434

Southlands Metropolitan District No. 1

General Terms and Conditions

Applicant must comply with all applicable District rules and regulations and city and state laws. Applicant further acknowledges that he, she, or it must promptly comply with orders of law enforcement personnel, firefighters or other emergency workers.

Applicant acknowledges and agrees that he, she, or it is not immune from civil claims of third parties that are based upon loss or damage occurring at, or in conjunction with, events.

Applicant is responsible for any and all damage to District property occurring during the event.

The deposit may be: (1) used to pay for clean-up costs if the areas used are not properly cleaned of all trash and debris; (2) used to pay for any damage caused to District property; and (3) forfeited in the event of non-compliance of any terms or conditions of the permit.

I understand that the use of the public right-of-way for special event and/or street closure includes some risks to participants.

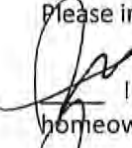
As an applicant for a Special Event/Street Closure permit, I certify that I have read and understand all of the conditions and procedures that are required in order to obtain the permit and I agree to comply with each of those conditions and procedures. I will maintain a copy of the permit which allows the special event/street closure, and keep it on-site during the event. As a representative of the event, I will abide by all standards and permit conditions.

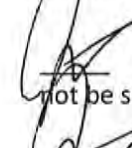
 (initial)


Insurance


Liability insurance is required to obtain a special event/street closure permit. Applicant acknowledges that private homeowners' or commercial liability insurance may not provide Applicant with liability protection for accidents that occur outside of Applicant's private property and in the public right-of-way.

Please initial the following:

 I have secured general liability coverage with limits shown of at least **\$1,000,000 per occurrence** through my homeowner's insurance or business organization.

 If liquor will be served, I have secured liquor liability coverage as either a host or a provider. If liquor will not be served, please write N/A on preceding line.

 I have added the District as an additional insured to the requisite insurance policy/policies and provided a copy of the insurance certificate(s) to the District.

 I have provided the District copies of any certificate(s) of insurance for any third-party contractors providing services (ie. Barricade services). If no-third party contractors are providing services, please write N/A on the preceding line.

**Southlands Metropolitan
District No. 1**

INDEMNIFICATION AGREEMENT

1. Applicant agrees that he, she, or it will defend, indemnify, reimburse and hold harmless the Southlands Metropolitan District No. 1 ("District"), its appointed and elected officials, agents and employees for, from and against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or related to the Applicant's temporary use of the premises for which the Applicant is permitted to conduct a special event/street closure on the date referenced above, that are due to the negligence or fault of the Applicant or the Applicant's agents, employees, representatives, subcontractors, suppliers, volunteers, patrons, guests, licensees, or invitees, or of any other person entering in or upon the premises for said event with the express or implied invitation or permission of Applicant ("Claims").
2. Applicant's duty to defend and indemnify District shall arise at the time written notice of the Claim is first provided to District regardless of whether suit has been filed and even if Applicant is not named as a defendant.
3. Applicant shall obtain, at its own expense, any insurance that he, she, or it deems necessary for the Applicant's and the District's protection.

The person signing and executing the Indemnity Agreement on behalf of Applicant represents and warrants that he or she has been fully authorized by Applicant to execute the Agreement on behalf of Applicant and to validly and legally bind Applicant to all the terms, performances and provisions of the Indemnity Agreement.

I affirm, under penalty of perjury, that the statements and representations made in connection with this application are true to the best of my knowledge.

Jason Williams Print
name
[Signature]
Signature

06/03/20
Date

Exhibit A

Denotes Farmer's Market Locations

Curbside

Denotes Curbside Pickup Location

Vendor

Denotes Vendor Parking Locations

E-470

K

SOUTH SOUTHLANDS PARKWAY

EAST PLAZA AVENUE

EAST TOWN CENTER AVENUE

EAST COMMONS AVENUE

SOUTH MAIN STREET

SOUTH CENTRAL STREET

SOUTH AURORA PARKWAY

SOUTH SOUTHLANDS PARKWAY

SOUTH MAIN STREET

EAST PROSPECT AVENUE

SMOKY HILL ROAD

Amenities

- ATM
- Fire Pit
- Family Restrooms
- Restrooms
- Gift Card Sale Locations 24-Hour Gift Card Kiosk & Management Office
- Management Office: 303-627-5000, M-F 8am - 5pm
- Wheelchair - Sen Security Security: 303-627-5000



SOUTHLANDS




CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/05/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER  Henderson Ins and Fin Svcs Inc 384 Inverness Parkway Suite 160 Englewood, CO 80112	CONTACT NAME: Mollie PHONE (A/C, No, Ext): 303-797-6300 E-MAIL ADDRESS: Mollie@TravisCanHelp.com	FAX (A/C, No): 303-731-0843
	INSURER(S) AFFORDING COVERAGE	
INSURED Williams Family Market LLC 7450 S Yampa St Foxfield, CO 80016	INSURER A: State Farm Fire and Casualty Company	
	INSURER B: State Farm Mutual Automobile Insurance Company	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		96-CN-N737-2	05/12/2017	05/12/2021	EACH OCCURRENCE \$ 3,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COM/OP AGG \$ 4,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Locations: 6205 S Main St Unit D106, Aurora, CO 80016, and 19569 E Mainstreet, Parker, CO 80138, 19565 E Mainstreet Parker, CO 80138 and 8340 Northfield Blvd, Stapleton, CO 80238
Additional Insured's: Southlands TC LLC, as Owner 6155 S. Main St., #260 Aurora, CO 80016. Southlands TC LLC, as Owner 6155 S. Main St., #260 Aurora, CO 80016. Canadian Imperial Bank of Commerce, acting through its New York Branch, as administrative agent for the lenders, and its successors and assigns, as mortgagee. One South Wacker Drive, Suite 3500 Chicago, IL 60606. Southlands Metropolitan District No. 1 c/o Special District Management Services, Inc. 141 Union Blvd., Suite 150 Lakewood, Colorado 80228.

CERTIFICATE HOLDER

CANCELLATION

Southlands Metropolitan District No. 1
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, Colorado 80228

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Crystal Contreras

Digitally signed by Crystal Contreras

Date: 2020.06.05 11:16:54 -06'00'

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