

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of Southlands Metropolitan District No. 1 (the “**Board**”), City of Aurora, Arapahoe County, Colorado (the “**District**”), held a regular meeting, at the Southlands Shopping Center, 6155 S. Main St., Ste. 260, Aurora, CO on December 5, 2023, at the hour of 10:00 AM.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2024 BUDGET

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

**NOTICE CONCERNING 2023 BUDGET AMENDMENT
AND PROPOSED 2024 BUDGET**

NOTICE IS HEREBY GIVEN that the Board of Directors (the “**Board**”) of the SOUTHLANDS METROPOLITAN DISTRICT NO. 1 (the “**District**”), will hold a meeting at Southlands Shopping Center, Management Office, 6155 South Main Street, Suite 260, Aurora, Colorado 80016 on Tuesday, December 5, 2023, at 10:00 A.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2024 proposed Budget (the “**Proposed Budget**”). The necessity may also arise for an Amendment to the 2023 Budget (the “**Amended Budget**”).

NOTICE IS FURTHER GIVEN that the Proposed Budget and Amended Budget (if applicable) have been submitted to the District. A copy of the Proposed Budget and Amended Budget are on file at the District's office, 405 Urban Street, Suite 310, Lakewood, Colorado, where the same are open for public inspection.

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to final adoption of the Proposed Budget or the Amended Budget by the Board.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

By /s/ Ann Finn
District Manager

Publish in: Aurora Sentinel
Publish on: November 23, 2023 (one time only)

WHEREAS, the Board has designated its legal counsel to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 8.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 budget year, there is hereby levied a tax of 34.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 budget year, there is hereby levied a tax of

0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Arapahoe County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED DECEMBER 5, 2023.

DISTRICT:

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

By: DocuSigned by: Martin Liles

Officer of the District

Attest:

By: DocuSigned by: Joyce Rocha

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APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

DocuSigned by: [Signature]

General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
SOUTHLANDS METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held in the Southlands Shopping Center, 6155 S. Main St., Ste. 260, Aurora, CO on December 5th, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 5th day of December, 2023.

DocuSigned by: Joyce Rocha

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EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

SOUTHLANDS METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 4,422,425	\$ 4,343,143	\$ 4,407,415
REVENUES			
Property taxes	3,220,950	3,274,979	3,301,782
Specific ownership taxes	213,471	235,000	198,107
Interest income	67,553	233,000	203,000
Reimbursed expenditures	6,995	5,000	10,000
General operations fee	2,103,000	2,103,000	2,103,000
General operations fee - vacant lots	24,961	26,000	34,500
General operations fee - penalty and other	16,381	25,000	20,000
Permits and fees	1,600	2,000	2,000
Total revenues	<u>5,654,911</u>	<u>5,903,979</u>	<u>5,872,389</u>
TRANSFERS IN	<u>548,160</u>	<u>150,000</u>	<u>800,000</u>
Total funds available	<u>10,625,496</u>	<u>10,397,122</u>	<u>11,079,804</u>
EXPENDITURES			
General and administrative	268,014	313,677	365,000
Operations and maintenance	1,974,589	2,426,000	3,055,000
Debt service	2,943,430	2,950,030	3,018,000
Capital projects	548,160	150,000	700,000
Total expenditures	<u>5,734,193</u>	<u>5,839,707</u>	<u>7,138,000</u>
TRANSFERS OUT	<u>548,160</u>	<u>150,000</u>	<u>800,000</u>
Total expenditures and transfers out requiring appropriation	<u>6,282,353</u>	<u>5,989,707</u>	<u>7,938,000</u>
ENDING FUND BALANCES	<u>\$ 4,343,143</u>	<u>\$ 4,407,415</u>	<u>\$ 3,141,804</u>
EMERGENCY RESERVE	\$ 16,600	\$ 16,900	\$ 20,500
GENERAL & ADMIN RESERVE	250,000	250,000	250,000
CAPITAL REPLACEMENT RESERVE	200,000	200,000	200,000
GOF RESERVE	1,172,471	980,471	262,971
SERIES 2017 A-1 RESERVE	1,687,625	1,687,625	1,687,625
SERIES 2017 A-2 RESERVE	149,750	149,750	149,750
SERIES 2017 SURPLUS	300,000	300,000	300,000
TOTAL RESERVE	<u>\$ 3,776,446</u>	<u>\$ 3,584,746</u>	<u>\$ 2,870,846</u>

No assurance provided. See summary of significant assumptions.

SOUTHLANDS METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Commercial	\$ 77,079,761	\$ 74,364,291	\$ 74,871,852
State assessed	647,600	696,730	671,380
Vacant land	415,182	530,059	637,360
Certified Assessed Value	<u>\$ 78,142,543</u>	<u>\$ 75,591,080</u>	<u>\$ 76,180,592</u>
MILL LEVY			
General	6.500	6.500	8.000
Debt Service Fund - Series 2017 A-1	32.000	32.000	30.500
Debt Service Fund - Series 2017 A-2	3.500	3.500	3.500
Total mill levy	<u>42.000</u>	<u>42.000</u>	<u>42.000</u>
PROPERTY TAXES			
General	\$ 507,927	\$ 491,342	\$ 609,445
Debt Service Fund - Series 2017 A-1	2,500,561	2,418,914	2,323,508
Debt Service Fund - Series 2017 A-2	273,499	264,569	266,632
Levied property taxes	3,281,987	3,174,825	3,199,585
Adjustments to actual/rounding	(160,295)	-	-
Budgeted property taxes	<u>\$ 3,121,692</u>	<u>\$ 3,174,825</u>	<u>\$ 3,199,585</u>
ASSESSED VALUATION			
Commercial	\$ 2,730,234	\$ 2,730,234	\$ 2,968,527
State assessed	10	80	15,400
Vacant land	145	145	140
Personal property	371,430	399,340	366,643
Certified Assessed Value	<u>\$ 3,101,819</u>	<u>\$ 3,129,799</u>	<u>\$ 3,350,710</u>
MILL LEVY			
Debt Service Fund - Series 2017 A-1	32.000	32.000	30.500
Total mill levy	<u>32.000</u>	<u>32.000</u>	<u>30.500</u>
PROPERTY TAXES			
Debt Service Fund - Series 2017 A-1	\$ 99,258	\$ 100,154	\$ 102,197
Budgeted property taxes	<u>\$ 99,258</u>	<u>\$ 100,154</u>	<u>\$ 102,197</u>
BUDGETED PROPERTY TAXES			
General	\$ 483,119	\$ 491,342	\$ 609,445
Debt Service Fund	2,737,831	2,783,637	2,692,337
Total	<u>\$ 3,220,950</u>	<u>\$ 3,274,979</u>	<u>\$ 3,301,782</u>

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 953,633	\$ 670,218	\$ 767,883
REVENUES			
Property taxes	483,119	491,342	609,445
Specific ownership taxes	32,067	35,000	36,567
Interest income	15,973	33,000	33,000
Permits and fees	1,600	2,000	2,000
Total revenues	<u>532,759</u>	<u>561,342</u>	<u>681,012</u>
Total funds available	<u>1,486,392</u>	<u>1,231,560</u>	<u>1,448,895</u>
EXPENDITURES			
General and administrative			
Accounting	55,586	65,000	70,000
Auditing	5,800	6,000	6,500
Billing services	12,686	18,000	20,000
County Treasurer's fee	7,226	7,370	9,142
Directors' fees	2,700	2,000	3,000
Dues and membership	545	549	1,000
Insurance	36,969	49,577	55,000
District management	48,290	55,000	65,000
Legal	46,174	55,000	60,000
Miscellaneous	954	3,000	5,000
Election	2,139	2,181	-
Contingency	-	-	10,358
Public events	48,945	50,000	60,000
Total expenditures	<u>268,014</u>	<u>313,677</u>	<u>365,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>548,160</u>	<u>150,000</u>	<u>800,000</u>
Total expenditures and transfers out requiring appropriation	<u>816,174</u>	<u>463,677</u>	<u>1,165,000</u>
ENDING FUND BALANCES	<u>\$ 670,218</u>	<u>\$ 767,883</u>	<u>\$ 283,895</u>
EMERGENCY RESERVE	\$ 16,600	\$ 16,900	\$ 20,500
GENERAL & ADMIN RESERVE	250,000	250,000	250,000
CAPITAL REPLACEMENT RESERVE	200,000	200,000	-
TOTAL RESERVE	<u>\$ 466,600</u>	<u>\$ 466,900</u>	<u>\$ 270,500</u>

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
GENERAL OPERATIONS FEE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 978,108	\$ 1,172,471	\$ 980,471
REVENUES			
General operations fee	2,103,000	2,103,000	2,103,000
General operations fee - vacant lots	24,961	26,000	34,500
General operations fee - penalty and other	16,381	25,000	20,000
Interest income	17,615	75,000	70,000
Reimbursed expenditures	6,995	5,000	10,000
Total revenues	<u>2,168,952</u>	<u>2,234,000</u>	<u>2,237,500</u>
TRANSFERS IN			
Transfers from other funds	-	-	100,000
Total funds available	<u>3,147,060</u>	<u>3,406,471</u>	<u>3,317,971</u>
EXPENDITURES			
Operations and maintenance			
Floral	269,660	325,000	380,000
Holiday decor	213,591	206,000	220,000
Landscape maintenance & irrigation repair	277,598	350,000	350,000
Monthly cleaning	176,107	250,000	260,000
Property maintenance	115,476	118,000	120,000
Property management	36,032	35,000	40,000
Security and safety	83,766	130,000	400,000
Signage	24,948	5,000	20,000
Street lighting/stripping	110,837	110,000	125,000
Street sweeping	15,945	16,000	20,000
Traffic signals maintenance	31,186	10,000	5,000
Repairs and maintenance	115,213	-	-
Banners	-	15,000	40,000
Retaining wall repairs	-	100,000	100,000
Tree replacement/removal/care	-	100,000	125,000
Fountain/chemicals	-	40,000	15,000
Detention pond	-	-	20,000
Playground inspections/repairs	-	-	10,000
Irrigation system upgrade	-	-	25,000
Locates	-	5,000	10,000
Contingency/other	-	-	10,000
Street repairs/sidewalk	-	110,000	250,000
Pest control	-	6,000	10,000
Snow removal	351,924	350,000	350,000
Utilities	152,306	145,000	150,000
Total expenditures	<u>1,974,589</u>	<u>2,426,000</u>	<u>3,055,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,974,589</u>	<u>2,426,000</u>	<u>3,055,000</u>
ENDING FUND BALANCES	<u>\$ 1,172,471</u>	<u>\$ 980,471</u>	<u>\$ 262,971</u>
GOF RESERVE	<u>\$ 1,172,471</u>	<u>\$ 980,471</u>	<u>\$ 262,971</u>
TOTAL RESERVE	<u>\$ 1,172,471</u>	<u>\$ 980,471</u>	<u>\$ 262,971</u>

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,490,684	\$ 2,500,454	\$ 2,659,061
REVENUES			
Property taxes	2,737,831	2,783,637	2,692,337
Specific ownership taxes	181,404	200,000	161,540
Interest income	33,965	125,000	100,000
Total revenues	<u>2,953,200</u>	<u>3,108,637</u>	<u>2,953,877</u>
Total funds available	<u>5,443,884</u>	<u>5,609,091</u>	<u>5,612,938</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	40,955	41,755	40,385
Bond interest - Series 2017 A-1	2,073,200	2,055,500	2,034,150
Bond interest - Series 2017 A-2	183,275	181,775	179,850
Bond principal - Series 2017 A-1	590,000	610,000	685,000
Bond principal - Series 2017 A-2	50,000	55,000	60,000
Paying agent fees	6,000	6,000	6,000
Contingency	-	-	12,615
Total expenditures	<u>2,943,430</u>	<u>2,950,030</u>	<u>3,018,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,943,430</u>	<u>2,950,030</u>	<u>3,018,000</u>
ENDING FUND BALANCES	<u>\$ 2,500,454</u>	<u>\$ 2,659,061</u>	<u>\$ 2,594,938</u>
SERIES 2017 A-1 RESERVE	\$ 1,687,625	\$ 1,687,625	\$ 1,687,625
SERIES 2017 A-2 RESERVE	149,750	149,750	149,750
SERIES 2017 SURPLUS	300,000	300,000	300,000
TOTAL RESERVE	<u>\$ 2,137,375</u>	<u>\$ 2,137,375</u>	<u>\$ 2,137,375</u>

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/29/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
Transfers from other funds	548,160	150,000	700,000
Total funds available	548,160	150,000	700,000
EXPENDITURES			
Capital Projects			
Medians	548,160	-	-
Other projects	-	150,000	700,000
Total expenditures	548,160	150,000	700,000
Total expenditures and transfers out requiring appropriation	548,160	150,000	700,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2024 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
2024 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.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Interest 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.

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).

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.

**SOUTHLANDS METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (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 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 2024, 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.

This information is an integral part of the accompanying budget.

**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>
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>\$ 41,580,000</u>	<u>\$ 32,961,100</u>	<u>\$ 74,541,100</u>

No assurance provided. See summary of significant assumptions.

**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>
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>\$ 3,675,000</u>	<u>\$ 2,914,850</u>	<u>\$ 6,589,850</u>

No assurance provided. See summary of significant assumptions.

**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>
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>\$ 45,255,000</u>	<u>\$ 35,875,950</u>	<u>\$ 81,130,950</u>

No assurance provided. See summary of significant assumptions.