

**NOTICE AND AGENDA**  
**OF THE COORDINATED**  
**REGULAR MEETING OF**  
**SOUTHSHORE METROPOLITAN DISTRICT NO. 1**  
**AND**  
**SOUTHSHORE METROPOLITAN DISTRICT NO. 2**

Time: Tuesday, August 8, 2023, 3:00 p.m.

Location: This meeting will be held via Zoom and may be joined using the following link:  
<https://us02web.zoom.us/j/83957417542>

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592 or +1 253 215 8782 or +1 346  
248 7799 or +1 669 900 9128

Webinar ID: 839 5741 7542

**AGENDA**

1. Disclosures of any potential conflicts of interest.
2. Approval of Minutes of July 11, 2023 Special Meeting. **(District Nos. 1 and 2)**
3. Public Comment.
4. Accountant's Report and review of financials and claims payable. **(District Nos. 1 and 2)**
5. District Engineer's Oral Report. **(District No. 1)**
6. Discuss underdrain issues **(District No. 1)**
7. Discuss tree loss and status of discussion with Richmond American Homes and ELCI. **(District No. 2)**
8. Review Interpretive Sign design proposal **(District No. 2)**
9. Update on status of Dissolution and approve any related actions. **(District Nos. 1 and 2)**
10. Discuss District name change. **(District No. 2)**
11. Discuss District and HoA simplification. **(District Nos. 1 and 2)**
12. Discuss District Management Request for Proposals **(District No. 2)**
13. Approve or ratify consent letter to Aurora Police Department regarding Security Services **(District No. 2)**

14. Executive Session under Section 24-6-402(4)(b), C.R.S., to confer with District Counsel to obtain legal advice regarding the Districts' contractual obligations, contract offers, construction matters, transfers of assets, dissolution of District No. 1, HoA contracts and facilities management issues, and related matters. (**District Nos. 1 and 2**)
15. Possible action on matters discussed in Executive Session. (**District Nos. 1 and 2**)
16. Any other matter that may come before the Board.

This meeting is open to the public.

SOUTHSHORE METROPOLITAN DISTRICT NO. 1

SOUTHSHORE METROPOLITAN DISTRICT NO. 2

By     /s/ Ryan Zent      
Ryan Zent, President

# RECORD OF PROCEEDINGS

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## MINUTES OF THE COORDINATED SPECIAL MEETING OF SOUTHSHORE METROPOLITAN DISTRICT NOS. 1 AND 2 HELD JULY 11, 2023

A Coordinated Special Meeting of the Boards of Directors of the Southshore Metropolitan District No. 1 (“**District No. 1**”) and Southshore Metropolitan District No. 2 (“**District No. 2**”) and collectively with District No. 1, the “**Districts**”) was held on July 11, 2023 at 3:00 p.m. The Meeting was held at The Lighthouse at Southshore, 27301 E Southshore Drive, Aurora, CO 80016

### ATTENDANCE

#### Directors in Attendance were:

Kevin Stadler, Vice President/Secretary/Treasurer, **District Nos. 1 and 2**

Aaron L. Clutter, Vice President/Assistant Secretary/Treasurer,  
**District No. 1**

P. Joseph Knopinski, Vice President/Assistant Secretary/Treasurer, **District No. 1**

Jeff Bergeon, Vice President/Assistant Secretary/Treasurer,  
**District No. 2**

Kevin Chan, **District No. 2**

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#### Absent (excused):

Ryan Zent, President, **District Nos. 1 and 2**

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#### Also in Attendance were:

Cathy Hamilton of Simmons & Wheeler

Doug Richter of Earnweald Consulting Services, LLC

Lyndie Fielitz, The Lakehouse and The Lighthouse at Southshore  
Facilities Manager

Andy Carroll, Metropolitan District Public Safety Group, LLC

David A. Greher of Cockrel Ela Glesne Greher & Ruhland, P.C. (“**CEGR**”)

Sarah H. Luetjen of CEGR

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### CONFLICTS OF INTEREST

Mr. Greher noted that none of the Directors have advised of any potential current conflict of interest for this meeting.

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NOTICE

Mr. Greher stated that Notice had been properly posted at least 24 hours prior to the meeting on the Districts' website. Ms. Luetjen confirmed that such Notice was also placed at the entrance of the Lakehouse, Lighthouse and sent to the City of Aurora Clerk. The certification of posting is attached hereto. The notice also included the agenda items.

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JUNE 13, 2023  
MINUTES

The Boards of District Nos. 1 and 2 considered the Minutes of the June 13, 2023 Coordinated Regular Board meeting. After discussion and upon motion duly made, seconded and unanimously carried, the Minutes of District Nos. 1 and 2 Joint Board meeting were approved as presented.

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PUBLIC COMMENT

None.

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ACCOUNTANT'S  
REPORT

Ms. Hamilton reviewed the financials with the Board of each District. She then presented a list of checks to ratify and invoices to be approved.

Following discussion and upon motion duly made, seconded and unanimously carried, the Board of District No. 1 (a) approved and confirmed the disbursements as presented and (b) approved the checks.

Ms. Hamilton discussed various financial matters regarding setting up various accounts for District No. 2 after the dissolution of District No. 1 has been completed, such as a checking account and an account with COLOTRUST. Ms. Hamilton will also need to set up a bill.com account for District No. 2 and obtain new signatory cards.

Ms. Hamilton then informed the Board that the auditor has begun work on the 2022 audit. Director Stadler asked if the auditor would be willing to begin work on the 2023 audit; Ms. Hamilton will follow up and update the Board with the auditor's response.

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ENGINEER'S  
REPORT

Mr. Richter stated that Filing 18 should be accepted by the City of Aurora (the "City") soon. He then stated that the excessive rain has helped reduce the irrigation needed for landscaping and noted that mowing can begin in some areas. The excessive rain storms have caused the pretreatment pond to overflow. The bypass pump was not able to keep up with the amount of rain and the pump failed to reset. Mr. Richter will reach out to Keesen to discuss.

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TREE LOSS

Director Stadler reported that many of the trees in Filing 19 have died and Richmond American Homes (“RAH”) has stated they will not fund the replacements of new trees. RAH is requesting that the District claim responsibility. President Zent will meet with ELCI and RAH to discuss further.

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DISTRICT NO. 1  
DISSOLUTION

Mr. Greher provided an update on the dissolution of District No. 1 to the Board noting that Notice of the dissolution hearing was not mailed to the Board of County Commissioners prior to the July 7, 2023 hearing and therefor, the District Court hearing on the dissolution was continued to August 2, 2023. A further update will be provided at the August meeting.

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DISTRICT NO. 2  
NAME CHANGE

Mr. Greher discussed various options regarding the name change of District No. 2. The Board agreed to change District No. 2’s official name to “Southshore Metropolitan District,” once the dissolution of District No 1 has been officially finalized. The Board directed Mr. Greher to proceed with change once the dissolution of District No. 1 has been completed.

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INTERPRETIVE  
SIGN PROPOSAL

Director Stadler spoke on progress of the Interpretive Sign project. Director Chan noted that he would help with this project. Director Stadler stated that President Zent will provide an update at the August meeting. No action was taken.

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DISTRICT AND  
HOA  
SIMPLIFICATION

Director Stadler stated that the dissolution of District No. 1 is currently taking precedence over the simplification of the Homeowners Association and once the dissolution process has been completed, he will start meeting with the community again to discuss. Director Stadler noted that the goal is to have the District take over HOA functions by January 1, 2024. Director Stadler then stated he would like to meet with the seventeen homeowners not currently in the boundaries of District No. 2 to personally inform them of this change.

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DISTRICT  
MANAGEMENT

Mr. Greher discussed the implementation of a District Manager to manage day to day operations of the District. He noted that he will work on a Request for Proposals and come back to the Board at an upcoming meeting to discuss the bidding process. Director Chan offered to help in reviewing the proposals once they have been submitted to the District.

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SAFETY SERVICES  
CONTRACT WITH  
METRO DISTRICT  
PUBLIC SAFETY  
GROUP

Director Stadler introduced Andy Carroll with Metro District Public Safety Group (“MDPSG”) to the Board. Mr. Carroll discussed the Safety Services Contract and the various services his company provides. Mr. Carroll then stated that in order for MDPSG to begin work, the District will need to enter into an Intergovernmental Agreement with the City. Mr. Carroll will provide Mr. Greher a sample Agreement for his review and comment. After discussion and questions from the Board and upon motion duly made, seconded and unanimously carried, the Safety Services Contract was approved subject to revisions to the Contract and the execution of the Intergovernmental Agreement by and between District No. 2 and the City.

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SAFETY AND  
SECURITY

Director Stadler presented various contracts regarding safety measures such as gates, trash enclosures, landscape lighting, facility locks and fencing to the Board. Upon discussion and upon motion duly made, seconded and unanimously carried, the Board approved the ColoradoScapes contracts and authorized Director Stadler to work directly with ColoradoScapes regarding the construction and installation of such safety features.

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EXECUTIVE  
SESSION

Not needed.

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ACTION ON  
MATTERS  
DISCUSSED IN  
EXECUTIVE  
SESSION

None.

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OTHER MATTERS

Director Clutter noted that a pipe in the underdrain system has been damaged. Director Clutter will assess the damage and come back to the Board with more information

Director Clutter then discussed the Sports Courts and recommended Norris design to present a proposal to the Board.

Mr. Richter noted that the fence construction is still on track and should be installed this week. He then stated that mucking will be done this fall or winter.

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ADJOURNMENT

There being no other matters to come before the Board, the meeting was adjourned.

Respectively submitted,

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Sarah H. Luetjen, Secretary for the meeting

APPROVED

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Kevin Stadler

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Ryan Zent

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Aaron Clutter

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Jeff Bergeon

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Kevin Chan



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|---|--|
| <p>DISTRICT COURT ARAPAHOE COUNTY<br/>STATE OF COLORADO</p> <p>Court Address: Arapahoe County Justice Center<br/>7325 South Potomac Street<br/>Centennial, CO 80112</p> <p>Phone Number: 303-649-6355</p> | <p>DATE FILED: August 2, 2023 9:00 AM<br/>CASE NUMBER: 2002CV2876</p>  |
| <p>In Re Southshore Metropolitan District No. 1</p>   |  |
|   | <p style="text-align: center;">▲ COURT USE ONLY ▲</p> <p>Case No.: 2002CV002876</p> <p>Div.: 202      Ctrm.:</p> |
| <p><b>FINDINGS, ORDER AND DECREE DISSOLVING THE<br/>SOUTHSHORE METROPOLITAN DISTRICT NO. 1,<br/>CITY OF AURORA, COUNTY OF ARAPAHOE COLORADO</b></p>   |  |

THIS MATTER coming before the Court on a Petition for Dissolution (the “**Petition**”) filed on behalf of the Board of Directors (the “**Board**”) of the Southshore Metropolitan District No. 1 (“**District No. 1**”) in the City of Aurora, County of Arapahoe, Colorado (the “**City**”) pursuant to the provisions set forth in Part 7, Article 1, Title 32, C.R.S., seeking the dissolution of District No. 1, and now being fully advised in the premises,

The Court hereby FINDS the following:

1. The Court has jurisdiction in all matters pertaining to this action as provided by law.
2. Pursuant to § 32-1-701(1), C.R.S., the Board adopted a resolution on February 14, 2023 deeming it to be in the best interest of the District that it be dissolved.
3. A Petition was filed with the Court on May 23, 2023, in accordance with § 32-1-702(1), C.R.S.
4. The Court finds that the Petition is in compliance with the requirements of § 32-1-702, C.R.S.
5. The Court scheduled and held a hearing on the Petition in accordance with § 32-1-703(2), C.R.S., on July 7, 2023 at 11:30 am and continued to August 2, 2023 at 8:30 am, , (the

“Hearing”), and notice for the Hearing was properly provided in accordance with § 32-1-703, C.R.S.

6. The District lies entirely within the boundaries of the City and a map and legal description of the District’s boundaries is attached hereto as **Exhibit A** and incorporated herein by this reference.

7. Pursuant to § 32-1-704(3)(b), C.R.S., the Court finds that the District has no financial obligations or outstanding bonds.

8. Pursuant to § 32-1-704(3)(b), C.R.S., the Court finds that the Board has provided its consent to the dissolution of the District.

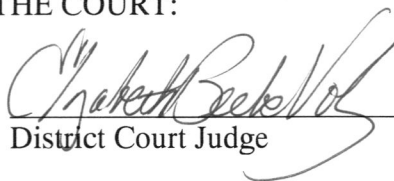
9. Pursuant to § 32-1-704(3)(b), C.R.S., the Court finds that the City has provided consent to the dissolution of the District.

IT IS THEREFORE ORDERED that, in accordance with § 32-1-704(3)(b), C.R.S., the District shall be and is hereby dissolved for all purposes without necessitating an election.

IT IS THEREFORE FURTHER ORDERED that, pursuant to § 32-1-707(5), C.R.S., legal counsel for the Petitioner shall cause a certified copy of this Order to be filed with the Clerk and Recorder for the County of Arapahoe and with the Colorado Division of Local Government. Pursuant to § 32-1-105, C.R.S., this Order shall be considered effective upon recordation with the Clerk and Recorder for the County of Arapahoe.

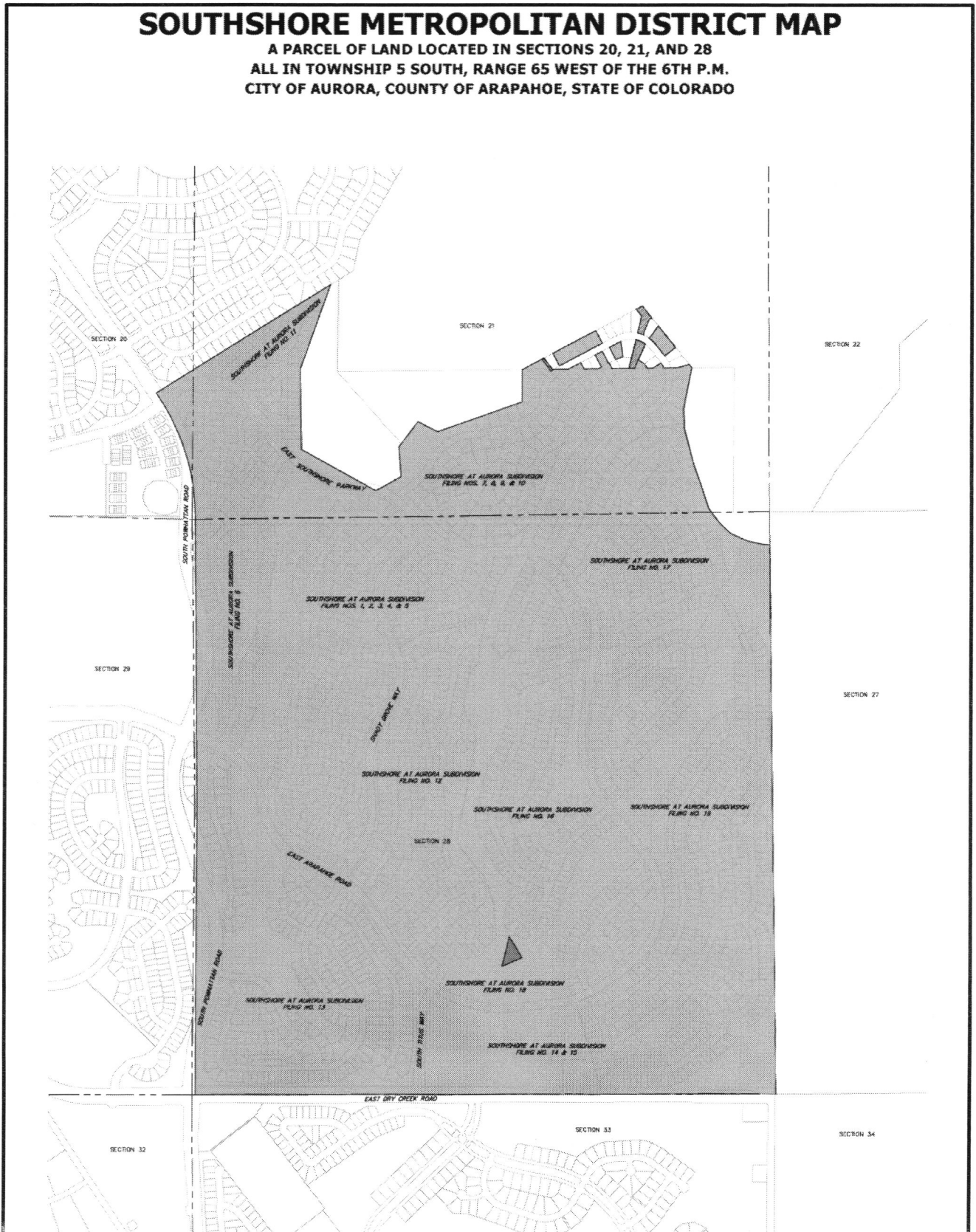
DATED this 2nd day of August, 2023.

BY THE COURT:

By  \_\_\_\_\_  
District Court Judge

# EXHIBIT A

## Map and Legal Description of the District's Boundaries



**PROPERTY DESCRIPTION**

A PARCEL OF LAND LOCATED IN THE SOUTH HALF OF SECTION 28, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE 6<sup>TH</sup> PRINCIPAL MERIDIAN, CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE 6<sup>TH</sup> PRINCIPAL MERIDIAN, BEING MONUMENTED BY A 3" ALUMINUM CAP STAMPED "LS 13485" AT THE SOUTHWEST CORNER AND A 3" ALUMINUM CAP STAMPED "LS 25942" AT THE SOUTH QUARTER CORNER, BEING ASSUMED TO BEAR S89°38'48"W.

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 28;

THENCE N67°15'20"E A DISTANCE OF 3066.01 FEET, TO THE POINT OF BEGINNING;

THENCE N13°21'32"E A DISTANCE OF 277.43 FEET;

THENCE S30°15'57"E A DISTANCE OF 72.20 FEET;

THENCE S32°03'03"E A DISTANCE OF 72.82 FEET;

THENCE S31°52'08"E A DISTANCE OF 78.42 FEET;

THENCE S65°28'48"W A DISTANCE OF 98.01 FEET;

THENCE S67°00'20"W A DISTANCE OF 99.14 FEET, TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 21,784 SQUARE FEET OR 0.5001 ACRES.

Southshore Metropolitan District No. 1  
 Claims to be approved - 8/8/2023 Meeting

| <u>Vendor Name</u>                  | <u>Invoice #</u> | <u>Invoice Date</u> | <u>Description</u>                   | <u>Amount</u>        |
|-------------------------------------|------------------|---------------------|--------------------------------------|----------------------|
| Cockrel Ela Glesne Greher & Ruhland | 07 31 23         | 7/31/2023           | 07 Legal Services                    | \$ 14,973.50         |
| CMS Environmental Solutions, LLC    | 153736           | 7/1/2023            | 06 Inspections - F14 Trail Extension | 625.00               |
| CMS Environmental Solutions, LLC    | 153745           | 7/1/2023            | 06 Inspections - F18 Poolhouse       | 250.00               |
| CMS Environmental Solutions, LLC    | 155283           | 8/1/2023            | 07 Inspections - F14 Trail Extension | 625.00               |
| Custom Fence & Supply, Inc.         | 309785           | 7/31/2023           | Install Brick Wall Replacement       | 176,972.50           |
| Earnweald Consulting Services, LLC  | SSMD1-2023-47    | 5/31/2023           | 05 District Engineer                 | 7,215.00             |
| Earnweald Consulting Services, LLC  | SSMD1-2023-49    | 7/31/2023           | 07 District Engineer                 | 3,380.00             |
| Environmental Landworks Company Inc | Pay App 23       | 7/31/2023           | Retainage Payout                     | 70,209.14            |
| J. R. Engineering, LLC              | 82581            | 7/31/2023           | 07 Storm Drainage Pond Maintenance   | 4,244.00             |
| J. R. Engineering, LLC              | 82582            | 7/31/2023           | 07 Underdrain system maintenance     | 13,053.00            |
| J. R. Engineering, LLC              | 82583            | 7/31/2023           | 07 Fence Replacement Program         | 5,438.34             |
| Simmons & Wheeler PC                | 35962            | 6/30/2023           | 06 Accounting Svcs                   | 2,444.00             |
|                                     |                  |                     |                                      | <u>\$ 299,429.48</u> |

Southshore Metropolitan District No. 1  
Financial Statements

June 30, 2023

ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Southshore Metropolitan District No. 1

Management is responsible for the accompanying financial statements of each major fund of Southshore Metropolitan District No. 1, as of and for the period ended June 30, 2023, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the six months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Southshore Metropolitan District No. 1 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

August 7, 2023  
Englewood, Colorado

Southshore Metropolitan District No. 1  
Balance Sheet - Governmental Funds and Account Groups  
June 30, 2023

See Accountant's Compilation Report

|                             | <u>General<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Account<br/>Groups</u> | <u>Total<br/>All Funds</u> |
|-----------------------------|-------------------------|--------------------------------------|---------------------------|----------------------------|
| <b>ASSETS</b>               |                         |                                      |                           |                            |
| Current assets              |                         |                                      |                           |                            |
| Cash in checking            | \$ 41,267               | \$ 66,270                            | \$ -                      | \$ 107,537                 |
| Accounts receivable         | <u>87,886</u>           | <u>-</u>                             | <u>-</u>                  | <u>87,886</u>              |
|                             | <u>129,153</u>          | <u>66,270</u>                        | <u>-</u>                  | <u>195,423</u>             |
| Other assets                |                         |                                      |                           |                            |
| Capital improvements        | <u>-</u>                | <u>-</u>                             | <u>51,122,696</u>         | <u>51,122,696</u>          |
| Total Assets:               | <u>\$ 129,153</u>       | <u>\$ 66,270</u>                     | <u>\$ 51,122,696</u>      | <u>\$ 51,318,119</u>       |
| <b>LIABILITES</b>           |                         |                                      |                           |                            |
| Current liabilities         |                         |                                      |                           |                            |
| Accounts payable            | \$ 27,005               | \$ -                                 | \$ -                      | \$ 27,005                  |
| Retainage payable           | <u>-</u>                | <u>70,209</u>                        | <u>-</u>                  | <u>70,209</u>              |
|                             | <u>27,005</u>           | <u>70,209</u>                        | <u>-</u>                  | <u>97,214</u>              |
| Total Liabilities:          | <u>27,005</u>           | <u>70,209</u>                        | <u>-</u>                  | <u>97,214</u>              |
| <b>FUND BALANCES</b>        |                         |                                      |                           |                            |
| Fund balance - unrestricted | <u>102,148</u>          | <u>(3,939)</u>                       | <u>-</u>                  | <u>98,209</u>              |
| Total Fund balances:        | <u>102,148</u>          | <u>(3,939)</u>                       | <u>51,122,696</u>         | <u>51,220,905</u>          |
|                             | <u>\$ 129,153</u>       | <u>\$ 66,270</u>                     | <u>\$ 51,122,696</u>      | <u>\$ 51,318,119</u>       |



Southshore Metropolitan District No. 1  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Six Months Ended June 30, 2023  
General Fund

See Accountant's Compilation Report

|  | <u>Annual<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|--------------------------|-------------------|---|
| Revenues   |                          |                   |   |
| Transfer from District #2                            | \$ 3,095,336             | \$ 487,777        | \$ (2,607,559)                                  |
|  | <u>3,095,336</u>         | <u>487,777</u>    | <u>(2,607,559)</u>                              |
| Expenditures   |                          |                   |   |
| Accounting & audit                                   | 50,000                   | 11,396            | 38,604  |
| Insurance  | 60,000                   | 68,557            | (8,557)   |
| Legal  | 125,000                  | 49,608            | 75,392  |
| Election expenses                                    | 10,000                   | -                 | 10,000  |
| Irrigation water & electric                          | 50,000                   | 16,538            | 33,462  |
| Repairs and maintenance                              | -                        | 60,403            | (60,403)  |
| Stormwater management                                | 800,000                  | -                 | 800,000   |
| Underdrain management                                | 750,000                  | 55,428            | 694,572   |
| Landscape maintenance                                | 600,000                  | 105,867           | 494,133   |
| Miscellaneous expense                                | 2,000                    | 79,505            | (77,505)  |
| Asset replacement reserve                            | 775,000                  | -                 | 775,000   |
| Contingency  | 42,944                   | -                 | 42,944  |
| Emergency reserve                                    | 73,410                   | -                 | 73,410  |
|  | <u>3,338,354</u>         | <u>447,302</u>    | <u>2,891,052</u>                                |
| Excess (deficiency) of revenues<br>over expenditures | (243,018)                | 40,475            | 283,493   |
| Fund balance - beginning                             | <u>243,018</u>           | <u>61,673</u>     | <u>(181,345)</u>                                |
| Fund balance - ending                                | <u>\$ -</u>              | <u>\$ 102,148</u> | <u>\$ 102,148</u>                               |

Southshore Metropolitan District No. 1  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Six Months Ended June 30, 2023  
Capital Projects Fund

See Accountant's Compilation Report

|  | <u>Annual<br/>Budget</u> | <u>Actual</u>     | Variance<br>Favorable<br><u>(Unfavorable)</u> |
|--|--------------------------|-------------------|---|
| <b>Revenues</b>                                      |                          |                   |   |
| Reimbursements from other governments                | \$ -                     | \$ 25,182         | \$ 25,182                                     |
| Transfer from District 2                             | -                        | <u>3,280</u>      | <u>3,280</u>                                  |
|  | -                        | <u>28,462</u>     | <u>28,462</u>                                 |
| <b>Expenditures</b>                                  |                          |                   |   |
| Capital outlay                                       | -                        | <u>32,401</u>     | <u>(32,401)</u>                               |
|  | -                        | <u>32,401</u>     | <u>(32,401)</u>                               |
| Excess (deficiency) of revenues<br>over expenditures | -                        | (3,939)           | (3,939)                                       |
| Fund balance - beginning                             | -                        | -                 | -   |
| Fund balance - ending                                | <u>\$ -</u>              | <u>\$ (3,939)</u> | <u>\$ (3,939)</u>                             |

Southshore Metropolitan District No. 2  
Financial Statements

June 30, 2023

ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Southshore Metropolitan District No. 2

Management is responsible for the accompanying financial statements of each major fund of Southshore Metropolitan District No. 2, as of and for the period ended June 30, 2023, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the six months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Southshore Metropolitan District No. 2 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler P.C.*

August 7, 2023  
Englewood, Colorado

Southshore Metropolitan District No. 2  
Balance Sheet - Governmental Funds and Account Groups  
June 30, 2023

See Accountant's Compilation Report

|  | <u>General<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Account<br/>Groups</u> | <u>Total<br/>All Funds</u> |
|--|-------------------------|----------------------------------|--------------------------------------|---------------------------|----------------------------|
| <b>Assets:</b>                               |                         |                                  |                                      |                           |                            |
| <b>Current assets</b>                        |                         |                                  |                                      |                           |                            |
| Cash in savings                              | \$ 1,639,766            | \$ -                             | \$ -                                 | \$ -                      | \$ 1,639,766               |
| Cash with trustee                            | -                       | 5,812,577                        | 667                                  | -                         | 5,813,244                  |
| Cash with county treasurer                   | 907,584                 | 637,946                          | -                                    | -                         | 1,545,530                  |
| Accounts receivable - development fee        | -                       | -                                | -                                    | -                         | -                          |
|  | <u>2,547,350</u>        | <u>6,450,523</u>                 | <u>667</u>                           | <u>-</u>                  | <u>8,998,540</u>           |
| <b>Other assets</b>                          |                         |                                  |                                      |                           |                            |
| Amount available in debt service fund        | -                       | -                                | -                                    | 6,450,523                 | 6,450,523                  |
| Amount to be provided for retirement of debt | -                       | -                                | -                                    | 52,249,477                | 52,249,477                 |
|  | <u>-</u>                | <u>-</u>                         | <u>-</u>                             | <u>58,700,000</u>         | <u>58,700,000</u>          |
|  | <u>\$ 2,547,350</u>     | <u>\$ 6,450,523</u>              | <u>\$ 667</u>                        | <u>\$ 58,700,000</u>      | <u>\$ 67,698,540</u>       |
| <b>Liabilities:</b>                          |                         |                                  |                                      |                           |                            |
| <b>Current liabilities</b>                   |                         |                                  |                                      |                           |                            |
| Due to District 1                            | \$ -                    | \$ -                             | \$ -                                 | \$ -                      | \$ -                       |
|  | <u>-</u>                | <u>-</u>                         | <u>-</u>                             | <u>-</u>                  | <u>-</u>                   |
| Bonds Payable - Series 2020A-1               | -                       | -                                | -                                    | 26,745,000                | 26,745,000                 |
| Bonds Payable - Series 2020A-2               | -                       | -                                | -                                    | 12,780,000                | 12,780,000                 |
| Bonds Payable - Series 2020B                 | -                       | -                                | -                                    | 19,175,000                | 19,175,000                 |
| Total liabilities                            | <u>-</u>                | <u>-</u>                         | <u>-</u>                             | <u>58,700,000</u>         | <u>58,700,000</u>          |
| <b>Fund Equity:</b>                          |                         |                                  |                                      |                           |                            |
| <b>Restricted:</b>                           |                         |                                  |                                      |                           |                            |
| Debt service                                 | -                       | 6,450,523                        | -                                    | -                         | 6,450,523                  |
| Capital projects                             | -                       | -                                | 667                                  | -                         | 667                        |
| Unrestricted                                 | 2,547,350               | -                                | -                                    | -                         | 2,547,350                  |
|  | <u>2,547,350</u>        | <u>6,450,523</u>                 | <u>667</u>                           | <u>-</u>                  | <u>8,998,540</u>           |
|  | <u>\$ 2,547,350</u>     | <u>\$ 6,450,523</u>              | <u>\$ 667</u>                        | <u>\$ 58,700,000</u>      | <u>\$ 67,698,540</u>       |

Southshore Metropolitan District No. 2  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Six Months Ended June 30, 2023  
General Fund

See Accountant's Compilation Report

|  | <u>Annual<br/>Budget</u> | <u>Actual</u>       | Variance<br>Favorable<br><u>(Unfavorable)</u> |
|--|--------------------------|---------------------|---|
| <b>Revenues</b>                                      |                          |                     |   |
| Property taxes                                       | \$ 2,619,764             | \$ 2,564,623        | \$ (55,141)                                   |
| Specific ownership taxes                             | 269,366                  | 148,059             | (121,307)                                     |
| Interest income                                      | <u>3,500</u>             | <u>31,155</u>       | <u>27,655</u>                                 |
|  | <u>2,892,630</u>         | <u>2,743,837</u>    | <u>(148,793)</u>                              |
| <b>Expenditures</b>                                  |                          |                     |   |
| Treasurer fees                                       | 39,296                   | 38,469              | 827   |
| Miscellaneous expense                                | 100                      | -                   | 100   |
| Transfer to District #1                              | 3,095,336                | 487,777             | 2,607,559                                     |
| Emergency reserve                                    | <u>1,164</u>             | <u>-</u>            | <u>1,164</u>                                  |
|  | <u>3,135,896</u>         | <u>526,246</u>      | <u>2,609,650</u>                              |
| Excess (deficiency) of revenues<br>over expenditures | (243,266)                | 2,217,591           | 2,460,857                                     |
| Fund balance - beginning                             | <u>243,266</u>           | <u>329,759</u>      | <u>86,493</u>                                 |
| Fund balance - ending                                | <u>\$ -</u>              | <u>\$ 2,547,350</u> | <u>\$ 2,547,350</u>                           |

Southshore Metropolitan District No. 2  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Six Months Ended June 30, 2023  
Debt Service Fund

See Accountant's Compilation Report

|  | Annual<br><u>Budget</u> | <u>Actual</u>       | Variance<br>Favorable<br><u>(Unfavorable)</u> |
|--|-------------------------|---------------------|---|
| <b>Revenues</b>                                      |                         |                     |   |
| Property taxes                                       | \$ 1,891,472            | \$ 1,851,850        | \$ (39,622)                                   |
| System development fees                              | 62,500                  | 125,000             | 62,500  |
| Interest income                                      | <u>10,000</u>           | <u>126,096</u>      | <u>116,096</u>                                |
|  | <u>1,963,972</u>        | <u>2,102,946</u>    | <u>138,974</u>                                |
| <b>Expenditures</b>                                  |                         |                     |   |
| Bond principal - 2020 A-1                            | 1,170,000               | 292,858             | 877,142                                       |
| Bond interest - 2020 A-1                             | 585,716                 | 255,600             | 330,116                                       |
| Bond interest - 2020 A-2                             | 511,200                 | -                   | 511,200                                       |
| Bond interest - 2020 B                               | 777,850                 | -                   | 777,850                                       |
| Treasurer's fee                                      | 28,681                  | 27,777              | 904   |
| Trustee / paying agent fees                          | <u>10,000</u>           | <u>7,000</u>        | <u>3,000</u>                                  |
|  | <u>3,083,447</u>        | <u>583,235</u>      | <u>2,500,212</u>                              |
| Excess (deficiency) of revenues<br>over expenditures | (1,119,475)             | 1,519,711           | 2,639,186                                     |
| Fund balance - beginning                             | <u>4,803,203</u>        | <u>\$ 4,930,812</u> | <u>127,609</u>                                |
| Fund balance - ending                                | <u>\$ 3,683,728</u>     | <u>\$ 6,450,523</u> | <u>\$ 2,766,795</u>                           |

Southshore Metropolitan District No. 2  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Six Months Ended June 30, 2023  
Capital Projects Fund

See Accountant's Compilation Report

|  | <u>Annual<br/>Budget</u> | <u>Actual</u>        | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------------|----------------------|--|
| Revenues   |                          |                      |  |
| Developer contributions                                  | \$ -                     | \$ -                 | \$ -                                   |
| Interest   | <u>-</u>                 | <u>38</u>            | <u>38</u>                              |
|  | <u>-</u>                 | <u>38</u>            | <u>38</u>                              |
| <br>Expenditures   |                          |                      |  |
| Transfer to District 1                                   | <u>-</u>                 | <u>3,280</u>         | <u>(3,280)</u>                         |
|  | <u>-</u>                 | <u>3,280</u>         | <u>(3,280)</u>                         |
| <br>Excess (deficiency) of revenues<br>over expenditures | -                        | (3,242)              | (3,242)                                |
| <br>Fund balance - beginning                             | <u>-</u>                 | <u>3,909</u>         | <u>3,909</u>                           |
| Fund balance - ending                                    | <u><u>\$ -</u></u>       | <u><u>\$ 667</u></u> | <u><u>\$ 667</u></u>                   |