

# VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

## **NOTICE OF A SPECIAL MEETING AND AGENDA**

### **Board of Directors:**

Kevin Amolsch  
Jared Seidenberg  
Ronald Meier  
Justin Cooper  
Travis Sperr

### **Office:**

President  
Secretary/Treasurer  
Assistant Secretary  
Assistant Secretary  
Assistant Secretary

### **Term/Expiration:**

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

**DATE:**        **November 11, 2020**

**TIME:**        **10:00 A.M.**

**PLACE:**        DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT BOARD MEETING WILL BE HELD VIA ZOOM WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON. THE DISTRICT'S REGULAR MEETING LOCATION IS 1700 BROADWAY, SUITE 640, DENVER COLORADO. IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE see the below referenced Zoom Meeting information below.

Join Zoom Meeting

<https://us02web.zoom.us/j/89400226205?pwd=U08xZy9zRnVSaUtKZDNHSFBlaDdGdz09>

Meeting ID: 894 0022 6205

Passcode: 731263

One tap mobile

+13462487799,,89400226205#,,,,,0#,,731263# US (Houston)

+16699006833,,89400226205#,,,,,0#,,731263# US (San Jose)

Dial by your location

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Germantown)

Meeting ID: 894 0022 6205

Passcode: 731263

Find your local number: <https://us02web.zoom.us/j/89400226205?pwd=U08xZy9zRnVSaUtKZDNHSFBlaDdGdz09>

I. ADMINISTRATIVE MATTERS

- A. Call to Order/Declaration of Quorum.  

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- B. Present Disclosures of Potential Conflicts of Interest.  

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- C. Approve Agenda, confirm location of the meeting and posting of meeting notices and designate 24 hour posting location.  

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- D. Review and consider approval of Minutes from the July 15, 2020 Meeting (enclosure).  

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II. FINANCIAL MATTERS

- A. Ratify the payment of claims for the period beginning June 23, 2020 through November 4, 2020, in the amount of \$152,758.23 (enclosure).  

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- B. Review and accept the Unaudited Financial Statements through the period ending September 30, 2020 (enclosure).  

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- C. Consider engagement of Dazzio & Associates, P.C. to prepare the 2020 Audit, for an amount not-to-exceed \$4,700 (enclosure).  

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- D. Conduct Public Hearing to consider Amendment to 2020 Budget and (if necessary) consider adoption of Resolution to Amend the 2020 Budget and Appropriate Expenditures.  

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- E. Conduct Public Hearing on the proposed 2021 Budget and consider adoption of Resolutions to Adopt the 2021 Budget and Appropriate Sums of Money and Set Mill Levies (for General Fund \_\_\_\_, Debt Service Fund \_\_\_\_ and Other Fund(s)\_\_\_\_) (enclosures – preliminary assessed valuation, Resolution and 2021 Budget).  

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- F. Schedule July 2021 Board meeting to approve the 2020 Audit.
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- G. Consider Approval of Engagement Letter with Schilling & Co. for 2021 accounting services (enclosure).
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III. LEGAL MATTERS

- A. Consider Approval of 2021 Annual Administrative Resolution (enclosure).
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IV. STATUS OF DEVELOPMENT

- A. Update on status of Development.
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V. OTHER BUSINESS

- A. Discuss request for use of Barn (enclosure).
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VI. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2020.**

## **RECORD OF PROCEEDINGS**

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### **MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT HELD JULY 15, 2020**

The special meeting of the Board of Directors of the Village at Southgate Metropolitan District (referred to hereafter as the “Board”) was convened on Wednesday, the 15th day of July, 2020, at 11:00 A.M., the meeting was held via Zoom video call due to the State of Emergency declared by Governor Polis and Public Health Order 20-23 Implementing Social Distancing Measures, and threat posed by the COVID-19 coronavirus. The meeting was open to the public.

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**Directors In Attendance Were:**

Kevin Amolsch  
Jared Seidenberg  
Justin Cooper  
Travis Sperr  
Ronald Meier

**Also In Attendance Were:**

Judy Leyshon; Special District Management Services, Inc.

Diane Miller, Esq.; Miller & Associates Law Offices, LLC

Neil Schilling; Schilling & Company, Inc.

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**CALL TO ORDER**

It was noted that a quorum for the Board was present, and the meeting was, therefore, called to order.

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**DISCLOSURE OF  
POTENTIAL  
CONFLICTS OF  
INTEREST**

Attorney Miller advised the Board that pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. The Board reviewed the agenda for the meeting, following which each Board member confirmed the contents of written disclosures previously made, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. Additionally, the Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act. Written disclosures of the interests of all directors were filed with the Secretary of State and the District prior to the meeting.

## RECORD OF PROCEEDINGS

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### **ADMINISTRATIVE MATTERS**

**Agenda:** Ms. Leyshon 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 Amolsch, seconded by Director Sperr and, upon vote, unanimously carried, the Agenda was approved, as amended.

**May 5, 2020 Election:** Attorney Miller presented for the Board the results of the May 5, 2020 election. It was noted the Justin Cooper and Travis Speer were both elected to 3-year terms.

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

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

President	Kevin Amolsch
Treasurer/ Secretary	Jared Seidenberg
Assistant Secretary	Ronald Meier
Assistant Secretary	Justin Cooper
Assistant Secretary	Travis Sperr

**Minutes:** The Board reviewed the Minutes of the October 23, 2019 regular meeting.

Following discussion, upon motion duly made by Director Seidenberg, seconded by Director Amolsch and, upon vote, unanimously carried, the Minutes of the October 23, 2019 regular meeting were approved, as presented.

### **FINANCIAL MATTERS**

**Claims:** The Board considered ratifying approval of the payment of claims for the period beginning October 17, 2019 through June 22, 2020, in the amount of \$530,904.72.

Following discussion, upon motion duly made by Director Sperr, seconded by Director Seidenberg and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

**Schedule of Cash Position:** The Board reviewed the Schedule of Cash Position as of June 30, 2020.

## RECORD OF PROCEEDINGS

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**2019 Audit:** Mr. Schilling reviewed with the Board the 2019 Audit.

Following review and discussion, upon motion duly made by Director Amolsch, seconded by Director Sperr and, upon vote, unanimously carried, the Board approved the 2019 Audit and authorized execution of the Representations Letter.

**2021 Budget Preparation:** The Board discussed the preparation of the 2021 Budget.

Following discussion, upon motion duly made by Director Meier, seconded by Director Cooper and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2021 Budget. The Board determined to hold the public hearing to consider adoption of the 2020 Budget on Wednesday, October 28, 2020 at 11:00 a.m. at the regular meeting location.

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### **LEGAL MATTERS**

There were no legal matters at this time.

### **STATUS OF DEVELOPMENT**

There was no status of development at this time.

### **OTHER BUSINESS**

**Landscape Bids:** The Board considered landscape bids submitted by Metco Landscape, Brightview Landscape and DLin Construction for landscaping services.

Following discussion, upon motion duly made by Director Amolsch, seconded by Director Meier and, upon vote, unanimously carried, the Board approved the Bid from Metco Landscape for landscaping services.

**Unpaid Water Bills:** The Board discussed the unpaid water bills. Director Seidenberg would like all of the past due bills to be in ARCUS' name. The Board would like the city not to install any more meters unless they are approved by the District first. Accountant Schilling will direct the City to send all bills to Special District Management Services, Inc.

### **ADJOURNMENT**

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

Respectfully submitted,

By: \_\_\_\_\_  
Secretary

Village at SouthGate Metropolitan District

Check Detail

June 23 through November 4, 2020

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	1076	07/23/2020	Dazzio & Associates, PC	1-1000 · FirstBank Checking-5457	\$ (4,700.00)
Bill	Inv 405	07/15/2020		1-5015 · Audit	\$ 4,700.00
					\$ 4,700.00
Bill Pmt -Check	1077	07/23/2020	Miller & Associates Law Offices	1-1000 · FirstBank Checking-5457	\$ (1,375.00)
Bill	Inv 6/30/2020	06/30/2020		1-5005 · Legal	\$ 1,343.00
				1-5035 · Election	\$ 32.00
					\$ 1,375.00
Bill Pmt -Check	1078	07/23/2020	Schilling & Company, Inc.	1-1000 · FirstBank Checking-5457	\$ (1,478.59)
Bill	Inv 12722	06/30/2020		1-5010 · Accounting	\$ 1,468.64
				1-5030 · Postage	\$ 9.95
					\$ 1,478.59
Bill Pmt -Check	1079	07/23/2020	Special District Management Services, Inc	1-1000 · FirstBank Checking-5457	\$ (1,792.00)
Bill	Inv 6/30/2020	06/30/2020		1-5017 · Management services	\$ 1,722.00
				1-5035 · Election	\$ 70.00
					\$ 1,792.00
Bill Pmt -Check	1080	07/23/2020	UMB Bank	1-1000 · FirstBank Checking-5457	\$ (19,262.72)
Bill	June DS Taxes	07/23/2020		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 19,262.72
					\$ 19,262.72
Bill Pmt -Check	1081	07/23/2020	UMB Bank	1-1000 · FirstBank Checking-5457	\$ (15,500.00)
Bill	July Facility Fees	07/23/2020		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 15,500.00
					\$ 15,500.00
Bill Pmt -Check	1082	08/20/2020	Miller & Associates Law Offices	1-1000 · FirstBank Checking-5457	\$ (2,078.00)
Bill	Inv 7/31/20	07/31/2020		1-5005 · Legal	\$ 2,078.00
					\$ 2,078.00
Bill Pmt -Check	1083	08/20/2020	Schilling & Company, Inc.	1-1000 · FirstBank Checking-5457	\$ (1,082.55)
Bill	Inv 12739	07/31/2020		1-5010 · Accounting	\$ 1,071.50
				1-5030 · Postage	\$ 11.05
					\$ 1,082.55
Bill Pmt -Check	1084	08/20/2020	Special District Management Services, Inc	1-1000 · FirstBank Checking-5457	\$ (3,221.95)

## Village at SouthGate Metropolitan District

## Check Detail

June 23 through November 4, 2020

Type	Num	Date	Name	Account	Paid Amount
Bill	Inv 7/31/20	07/31/2020		1-5017 · Management services	\$ 3,221.95
					<b>\$ 3,221.95</b>
<b>Bill Pmt -Check</b>	<b>1085</b>	<b>08/20/2020</b>	<b>UMB Bank</b>	<b>1-1000 · FirstBank Checking-5457</b>	<b>\$ (22,259.79)</b>
Bill	July Taxes	08/20/2020		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 1,259.79
Bill	SF Fees	08/20/2020		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 15,000.00
Bill	MF Facility Fees	08/20/2020		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 6,000.00
					<b>\$ 22,259.79</b>
<b>Bill Pmt -Check</b>	<b>1086</b>	<b>09/21/2020</b>	<b>Miller &amp; Associates Law Offices</b>	<b>1-1000 · FirstBank Checking-5457</b>	<b>\$ (2,329.00)</b>
Bill	Inv 8/31/20	08/31/2020		1-5005 · Legal	\$ 2,329.00
					<b>\$ 2,329.00</b>
<b>Bill Pmt -Check</b>	<b>1087</b>	<b>09/21/2020</b>	<b>Schilling &amp; Company, Inc.</b>	<b>1-1000 · FirstBank Checking-5457</b>	<b>\$ (413.81)</b>
Bill	Inv 12776	08/31/2020		1-5010 · Accounting	\$ 403.86
				1-5030 · Postage	\$ 9.95
					<b>\$ 413.81</b>
<b>Bill Pmt -Check</b>	<b>1088</b>	<b>09/21/2020</b>	<b>Special District Management Services, Inc</b>	<b>1-1000 · FirstBank Checking-5457</b>	<b>\$ (1,336.08)</b>
Bill	Inv 8/31/20	08/31/2020		1-5017 · Management services	\$ 1,336.08
					<b>\$ 1,336.08</b>
<b>Bill Pmt -Check</b>	<b>1089</b>	<b>09/21/2020</b>	<b>UMB Bank</b>	<b>1-1000 · FirstBank Checking-5457</b>	<b>\$ (55,663.62)</b>
Bill	August 2020 Taxes	09/21/2020		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 1,663.62
Bill	8/2-9/21/20 SF FF	09/21/2020		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 45,000.00
Bill	8/21-9/21/20 MF FF	09/21/2020		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 9,000.00
					<b>\$ 55,663.62</b>
<b>Bill Pmt -Check</b>	<b>1090</b>	<b>10/19/2020</b>	<b>Co Special Dist Property &amp; Liability Pool</b>	<b>1-1000 · FirstBank Checking-5457</b>	<b>\$ (2,020.00)</b>
Bill	POL-0005036	09/22/2020		1-1300 · Prepaid expenses	\$ 2,020.00
					<b>\$ 2,020.00</b>
<b>Bill Pmt -Check</b>	<b>1091</b>	<b>10/19/2020</b>	<b>Miller &amp; Associates Law Offices</b>	<b>1-1000 · FirstBank Checking-5457</b>	<b>\$ (2,439.00)</b>
Bill	Inv 9/30/20	09/30/2020		1-5005 · Legal	\$ 2,439.00
					<b>\$ 2,439.00</b>
<b>Bill Pmt -Check</b>	<b>1092</b>	<b>10/19/2020</b>	<b>RLI Surety</b>	<b>1-1000 · FirstBank Checking-5457</b>	<b>\$ (250.00)</b>



Village at SouthGate Metropolitan District  
Check Detail  
June 23 through November 4, 2020

Type	Num	Date	Name	Account	Paid Amount
Bill	Bond LSM0678206	10/11/2020		1-5020 · Insurance	\$ 250.00
					\$ 250.00
Bill Pmt -Check	1093	10/19/2020	Schilling & Company, Inc.	1-1000 · FirstBank Checking-5457	\$ (352.91)
Bill	Inv 12806	09/30/2020		1-5010 · Accounting	\$ 342.96
				1-5030 · Postage	\$ 9.95
					\$ 352.91
Bill Pmt -Check	1094	10/19/2020	Special District Management Services, Inc	1-1000 · FirstBank Checking-5457	\$ (672.66)
Bill	Inv 9/30/20	09/30/2020		1-5017 · Management services	\$ 672.66
					\$ 672.66
Bill Pmt -Check	1095	10/19/2020	T. Charles Wilson Ins. Service	1-1000 · FirstBank Checking-5457	\$ (495.00)
Bill	Inv 62447	10/14/2020		1-1300 · Prepaid expenses	\$ 495.00
					\$ 495.00
Bill Pmt -Check	1096	10/19/2020	UMB Bank	1-1000 · FirstBank Checking-5457	\$ (13,728.65)
Bill	Sept Taxes	10/19/2020		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 1,228.65
Bill	SF Fac Fees 10/19/20	10/19/2020		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 12,500.00
					\$ 13,728.65
Bill Pmt -Check	1097	10/19/2020	United Power	1-1000 · FirstBank Checking-5457	\$ (306.90)
Bill	Acct 20903501	10/08/2020		1-5065 · Utilities - Electricity	\$ 81.09
Bill	Acct 20903601	10/08/2020		1-5065 · Utilities - Electricity	\$ 225.81
					\$ 306.90
Total Disbursements					\$ 152,758.23
Administration					\$ 26,343.45
Transfers to UMB for Debt Service					\$ 126,414.78
					\$ 152,758.23

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT**  
**FINANCIAL STATEMENTS**

**For the Nine Months Ended September 30, 2020**



**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163  
PHONE: 720.348.1086  
FAX: 720.348.2920

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## SCHILLING & COMPANY, INC.

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
FAX: 720.348.2920

Board of Directors  
Village at SouthGate Metropolitan District  
Adams County, Colorado

Management is responsible for the accompanying financial statements of each major fund of the Village at SouthGate Metropolitan District, as of and for the nine months ended September 30, 2020, as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with 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 government-wide financial statements and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted basic financial statements and disclosures were included in the financial statements, they might influence the user's conclusions about the Village at SouthGate Metropolitan District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

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

The supplementary information contained on page 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Village at SouthGate Metropolitan District.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
November 4, 2020

## **FINANCIAL STATEMENTS**

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2020**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments - unrestricted	\$ 14,212	\$ -	\$ 14,212
Cash and investments - restricted	-	945,484	945,484
Due from county treasurer	307	1,228	1,535
Prepaid expenditures	3,520	-	3,520
Property taxes receivable	1	3	4
<b>TOTAL ASSETS</b>	<u>\$ 18,040</u>	<u>\$ 946,715</u>	<u>\$ 964,755</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 5,485	\$ -	\$ 5,485
Total liabilities	<u>5,485</u>	<u>-</u>	<u>5,485</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	<u>1</u>	<u>3</u>	<u>4</u>
Total deferred inflows of resources	<u>1</u>	<u>3</u>	<u>4</u>
<b>FUND BALANCE</b>			
Nonspendable:			
Prepaid expenditures	3,520	-	3,520
Spendable:			
Restricted for emergencies	1,410	-	1,410
Restricted for debt service	-	946,712	946,712
Unassigned	7,624	-	7,624
Total fund balances	<u>12,554</u>	<u>946,712</u>	<u>959,266</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 18,040</u>	<u>\$ 946,715</u>	<u>\$ 964,755</u>

These financial statements should be read only in connection with the  
accompanying accountant's compilation report.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Nine Months Ended September 30, 2020**

	<b>General</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Property taxes	\$ 44,563	\$ 178,248	\$ 222,811
Specific ownership taxes	2,430	9,719	12,149
Facility fees	-	217,000	217,000
Net investment income	8	4,973	4,981
Total revenues	<u>47,001</u>	<u>409,940</u>	<u>456,941</u>
<b>EXPENDITURES</b>			
General			
Legal	12,746	-	12,746
Accounting	6,228	-	6,228
Audit	4,700	-	4,700
Management services	9,670	-	9,670
Engineering and consulting	3,465	-	3,465
Insurance and bonds	2,510	-	2,510
Election	1,508	-	1,508
County Treasurer's fees	669	2,674	3,343
Office supplies	82	-	82
Bank service charges	90	475	565
Dues and subscriptions	323	-	323
Debt service			
Bond interest	-	116,719	116,719
Paying agent fees	-	6,000	6,000
Total expenditures	<u>41,991</u>	<u>125,868</u>	<u>167,859</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,010</u>	<u>284,072</u>	<u>289,082</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer advances	2,478	-	2,478
Total other financing sources (uses)	<u>2,478</u>	<u>-</u>	<u>2,478</u>
<b>NET CHANGE IN FUND BALANCES</b>	7,488	284,072	291,560
<b>FUND BALANCES - BEGINNING OF PERIOD</b>	<u>5,066</u>	<u>662,640</u>	<u>667,706</u>
<b>FUND BALANCES - END OF PERIOD</b>	<u>\$ 12,554</u>	<u>\$ 946,712</u>	<u>\$ 959,266</u>

These financial statements should be read only in connection with the  
accompanying accountant's compilation report.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL - GENERAL FUND**  
**For the Nine Months Ended September 30, 2020**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 44,564	\$ 44,563	\$ (1)
Specific ownership taxes	3,091	2,430	(661)
Interest income	-	8	8
Total revenues	<u>47,655</u>	<u>47,001</u>	<u>(654)</u>
<b>EXPENDITURES</b>			
Legal	20,000	12,746	7,254
Accounting	6,500	6,228	272
Audit	4,700	4,700	-
Management services	8,000	9,670	(1,670)
Engineering and consulting	10,000	3,465	6,535
Insurance and bonds	3,000	2,510	490
Election	2,500	1,508	992
County Treasurer's fees	668	669	(1)
Office supplies and postage	60	82	(22)
Bank service charges	120	90	30
Dues and subscriptions	300	323	(23)
Contingency	5,000	-	5,000
Total expenditures	<u>60,848</u>	<u>41,991</u>	<u>18,857</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(13,193)</u>	<u>5,010</u>	<u>18,203</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer advances	13,864	2,478	(11,386)
Total other financing sources (uses)	<u>13,864</u>	<u>2,478</u>	<u>(11,386)</u>
<b>NET CHANGE IN FUND BALANCE</b>	671	7,488	6,817
<b>FUND BALANCE - BEGINNING OF PERIOD</b>	<u>759</u>	<u>5,066</u>	<u>4,307</u>
<b>FUND BALANCE - END OF PERIOD</b>	<u>\$ 1,430</u>	<u>\$ 12,554</u>	<u>\$ 11,124</u>

These financial statements should be ready only in connection with the  
accompanying accountant's compilation report.



## **SUPPLEMENTAL INFORMATION**

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL - DEBT SERVICE FUND**  
**For the Nine Months Ended September 30, 2020**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 178,251	\$ 178,248	(3)
Specific ownership taxes	12,362	9,719	(2,643)
Facility fees	90,000	217,000	127,000
Interest income	14,000	4,973	(9,027)
Total revenues	<u>294,613</u>	<u>409,940</u>	<u>115,327</u>
<b>EXPENDITURES</b>			
Bank service charges	800	475	325
Treasurer's fees	2,674	2,674	-
Bond interest	233,438	116,719	116,719
Paying agent fees	6,000	6,000	-
Contingency	4,728	-	4,728
Total expenditures	<u>247,640</u>	<u>125,868</u>	<u>121,772</u>
<b>NET CHANGE IN FUND BALANCE</b>	46,973	284,072	237,099
<b>FUND BALANCE - BEGINNING OF PERIOD</b>	<u>649,474</u>	<u>662,640</u>	<u>13,166</u>
<b>FUND BALANCE - END OF PERIOD</b>	<u><u>\$ 696,447</u></u>	<u><u>\$ 946,712</u></u>	<u><u>\$ 250,265</u></u>

This schedule should be read only in connection with the accompanying  
accountant's compilation report.



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**Dazzio & Associates, PC**

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**Certified Public Accountants**

October 1, 2020

To the Board of Directors and Management  
Village at SouthGate Metropolitan District  
c/o Special District Management Services, Inc.  
141 Union Blvd., Suite 150  
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide Village at SouthGate Metropolitan District (the District) for the year ended December 31, 2020.

**Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2020.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund

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

- 1) Summary of Assessed Valuation, Mill Levy and Property Taxes Collected

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations

from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$4,700. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your

account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

### Reporting

We will issue a written report upon completion of our audit of Village at SouthGate Metropolitan District's financial statements which, if applicable, will also address other information in accordance with AU-C 720, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

*Duggio & Associates, P.C.*

### RESPONSE:

This letter correctly sets forth the understanding of Village at SouthGate Metropolitan District.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Board signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **413 - VILLAGE AT SOUTHGATE METRO DIST**

IN ADAMS COUNTY ON 10/12/2020

New Entity: No

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2020 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,002,850
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$4,270,570
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,270,570
5. NEW CONSTRUCTION: **	\$638,450
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

## USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2020 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2020

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$33,008,397
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$8,929,463
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2020

Data Date: 10/12/2020



Ken Musso  
ASSESSOR



Assessor's Office  
4430 South Adams County Parkway  
2nd Floor, Suite C2100  
Brighton, CO 80601-8201  
PHONE 720.523.6038  
FAX 720.523.6037  
[www.adcogov.org](http://www.adcogov.org)

October 13, 2020

VILLAGE AT SOUTHGATE METRO DIST  
SPECIAL DISTRICT MANAGEMENT SERVICES INC  
Attn: JUDY LEYSHON  
141 UNION BLVD STE 150  
LAKEWOOD CO 80228-1898

To JUDY LEYSHON:

Enclosed is the 2020 preliminary valuation. This valuation along with all other statutory requirements is on the enclosed form. A final certification of value will be sent out on or before December 10, 2020.

This value is subject to change by the County Board of Equalization, Board of Assessment Appeals and the State Board of Equalization as provided by law.

Sincerely,

A handwritten signature in black ink, appearing to be 'KM' followed by a stylized flourish.

Ken Musso  
Adams County Assessor  
KM/cjw



## SCHILLING & COMPANY, INC.

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086

FAX: 720.348.2920

### **Accountant's Compilation Report**

Board of Directors  
Village at SouthGate Metropolitan District  
Adams County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Village at SouthGate Metropolitan District (District), for the year ending December 31, 2021, including the estimate of comparative information for the year ending December 31, 2020, and the actual comparative information for the year ending December 31, 2019, in the format required by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget 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 the accompanying budget.

The actual comparative information for the year ending December 31, 2019 is presented for comparative purposes as required by Colorado Revised Statutes (C.R.S.) 29-1-105. Such information is taken from the audited financial statements of the District for the year ended December 31, 2019. Dazzio & Associates, PC audited the financial statements for the year ended December 31, 2019, whose report was dated June 29, 2020.

The budget is presented in accordance with the requirements of Colorado Revised Statutes (C.R.S.) 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Village at SouthGate Metropolitan District.

Highlands Ranch, Colorado  
\_\_\_\_\_, 2020

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT**  
**PROPERTY TAX SUMMARY INFORMATION**  
For the Years Ended and Ending December 31,

	<b>ACTUAL</b> <b>2019</b>	<b>ADOPTED</b> <b>BUDGET</b> <b>2020</b>	<b>PROPOSED</b> <b>BUDGET</b> <b>2021</b>
<b>ASSESSED VALUATION</b>			
Adams County			
Certified Assessed Value	<u>\$ 2,138,960</u>	<u>\$ 4,002,850</u>	<u>\$ 4,270,570</u>
<b>MILL LEVY</b>			
General - Operations Mill Levy	11.056	11.133	11.133
Debt Service - Senior Bonds Mill Levy	<u>40.000</u>	<u>44.531</u>	<u>44.531</u>
Total mill levy	<u>51.056</u>	<u>55.664</u>	<u>55.664</u>
<b>PROPERTY TAXES</b>			
General Fund	\$ 23,648	\$ 44,564	\$ 47,544
Debt Service - Senior Bonds Mill Levy	<u>85,558</u>	<u>178,251</u>	<u>190,173</u>
Levied property taxes	109,206	222,815	237,717
Adjustments to actual/rounding	(5)	-	-
Actual/budgeted property taxes	<u>\$ 109,201</u>	<u>\$ 222,815</u>	<u>\$ 237,717</u>
<b>PROPERTY TAXES BY FUND</b>			
General Fund	\$ 23,647	\$ 44,564	\$ 47,544
Debt Service	<u>85,554</u>	<u>178,251</u>	<u>190,173</u>
	<u>\$ 109,201</u>	<u>\$ 222,815</u>	<u>\$ 237,717</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT  
GENERAL FUND  
2021 BUDGET AS ADOPTED  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

	<b>ACTUAL 2019</b>	<b>ESTIMATED 2020</b>	<b>ADOPTED BUDGET 2020</b>	<b>PROPOSED BUDGET 2021</b>
<b>BEGINNING FUND BALANCE</b>	<u>\$ 2,984</u>	<u>\$ 5,066</u>	<u>\$ 759</u>	<u>\$ 11,117</u>
<b>REVENUE</b>				
Property tax	23,647	44,564	44,564	47,544
Specific ownership tax	1,765	3,185	3,091	3,398
Net investment income	403	12	-	-
Total revenue	<u>25,815</u>	<u>47,761</u>	<u>47,655</u>	<u>50,942</u>
<b>OTHER FINANCING SOURCES</b>				
Developer Advance	38,748	9,478	13,864	120,221
Total other financing sources	<u>38,748</u>	<u>9,478</u>	<u>13,864</u>	<u>120,221</u>
Total funds available	<u>67,547</u>	<u>62,305</u>	<u>62,278</u>	<u>182,280</u>
<b>EXPENDITURES</b>				
General Government				
Legal	14,573	15,461	20,000	20,000
Accounting	9,177	8,828	6,500	9,000
Audit	4,700	4,700	4,700	4,700
Management services	7,411	13,496	8,000	14,000
Engineering/consulting	22,955	3,465	10,000	-
Landscape maintenance	-	-	-	30,921
Snow removal	-	-	-	15,000
Insurance	2,508	2,510	3,000	2,600
Office supplies	278	-	60	-
Postage	94	108	-	120
Election	-	1,508	2,500	-
Bank service charges	120	120	120	120
Dues and subscriptions	304	323	300	400
Utilities:				
Water	-	-	-	75,000
Electrical - Silo	-	-	-	2,000
Electrical - Barn	-	-	-	2,000
Treasurer's fees	361	669	668	713
Contingency	-	-	5,000	4,177
Total expenditures	<u>62,481</u>	<u>51,188</u>	<u>60,848</u>	<u>180,751</u>
Total expenditures and transfers out requiring appropriation	<u>62,481</u>	<u>51,188</u>	<u>60,848</u>	<u>180,751</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 5,066</u>	<u>\$ 11,117</u>	<u>\$ 1,430</u>	<u>\$ 1,529</u>
<b>EMERGENCY RESERVE</b>	<u>\$ 774</u>	<u>\$ 1,433</u>	<u>\$ 1,430</u>	<u>\$ 1,529</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2021 BUDGET AS ADOPTED  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

	<b>ACTUAL 2019</b>	<b>ESTIMATED 2020</b>	<b>ADOPTED BUDGET 2020</b>	<b>PROPOSED AMENDED BUDGET 2020</b>	<b>PROPOSED BUDGET 2021</b>
<b>BEGINNING FUND BALANCE</b>	\$ 695,238	\$ 662,640	\$ 649,474	\$ 662,640	\$ 835,052
<b>REVENUE</b>					
Property tax	85,554	178,251	178,251	178,251	190,173
Specific ownership tax	6,385	12,737	12,362	12,362	13,592
Facility Fees	100,500	247,000	90,000	247,000	54,000
Interest income	17,406	7,202	14,000	7,000	7,000
Total revenue	209,845	445,190	294,613	444,613	264,765
Total funds available	905,083	1,107,830	944,087	1,107,253	1,099,817
<b>EXPENDITURES</b>					
Bank service charges	1,700	666	800	800	800
Treasurer's fees	1,305	2,674	2,674	2,674	2,853
Interest 2018A Senior Bonds	233,438	233,438	233,438	233,438	233,438
Interest 2018B Subordinate Bonds	-	30,000	-	30,000	25,000
Paying agent fees	6,000	6,000	6,000	6,000	6,000
Contingency	-	-	4,728	4,728	4,728
Total expenditures	242,443	272,778	247,640	277,640	272,819
Total expenditures and transfers out requiring appropriation	242,443	272,778	247,640	277,640	272,819
<b>ENDING FUND BALANCE</b>	\$ 662,640	\$ 835,052	\$ 696,447	\$ 829,613	\$ 826,998
<b>REQUIRED RESERVE</b>	\$ 343,906	\$ 343,906	\$ 343,906	\$ 343,906	\$ 343,906

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Disclosures contained in this summary as presented by management, are those that are believed to be significant as of the date of the compilation report and are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2021 annual budget. Actual results may differ from the prospective results contained in the budget.

**SERVICES PROVIDED**

The Village at SouthGate Metropolitan District (the "District"), was organized in Adams County to provide financing to construct and install local and regional public improvements for the Village at SouthGate Development, including potable water and sewer lines larger than 12" in diameter; storm drainage facilities; the full width of major and minor arterial and collector roadways; community parks; and recreational facilities and services.

The District prepares its budget on the modified accrual basis of accounting.

**REVENUE**

*Property Tax*

Property taxes are forecasted based on the mill levy adopted applied to the annual assessed valuation. The calculation of the taxes levied is displayed on page 2 of the budget at the adopted total mill levy of 55.664 as adjusted for the changes in the residential assessment rate as a result of the Gallagher Amendment to the Colorado Constitution. The 55.664 mills is comprised of the Required Mill Levy for the Limited Tax General Obligation Bonds Series 2018A in the Debt Service Fund of 44.531 mills and the Operations Mill Levy of 11.133 in the General Fund.

*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 7.2% of the property taxes collected.

*Facility Fees*

Facility fees have been set the District of \$2,500 for each residential single-family detached unit and \$1,500 for each residential multi-family unit located within the District. The facility fees are due and payable prior to the issuance of a building permit by the City of Brighton for the applicable units. The 2021 facility fee revenue has been calculated based on the anticipated building permits to be issued in 2021.

*Investment Income*

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

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**EXPENDITURES**

*Administrative Expenditures*

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.

*Utilities Expenditures*

Beginning in 2021 the District will be responsible for the water service charges related to certain open space parcels. Additionally, the District will be responsible for electrical services for a barn and silo. The 2021 expenses for water and electricity are based on 2020 costs as provided to the District by the respective vendors.

**DEBT AND LEASES**

During 2018, the District issued \$4,150,000 of Limited Tax General Obligation Bonds Series 2018A which bear interest at 5.625% and \$764,000 of Subordinate Limited Tax General Obligation Bonds Series 2018B which bear interest at 7.750%. Mandatory sinking fund redemptions begin on the 2018A bonds in 2023 while the 2018B bonds have no required debt service payments until 2048. The Schedule of Debt Service Requirements included on page 7 is based on the Financial Forecast (prepared in conjunction with the bond issuance), based on the assumptions more particularly set forth therein.

The District has no operating or capital leases.

**RESERVES**

The District has provided for an emergency reserve fund of at least 3% of fiscal year spending for 2021, as defined under TABOR.

This information is an integral part of the accompanying budget.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS**

Year ended December 31,	\$4,150,000 Limited Tax General Obligation Bonds Series 2018A Bearing Interest at 5.625%		\$764,000 Subordinate Limited Tax General Obligation Bonds Series 2018B Bearing Interest at 7.750%		Annual Total
	Principal (1)	Interest (2)	Principal (3)	Interest (3)	
2018	\$ -	\$ 130,335.94	\$ -	\$ -	\$ 130,335.94
2019	-	233,437.50	-	-	233,437.50
2020	-	233,437.50	-	-	233,437.50
2021	-	233,437.50	-	118,092.00	351,529.50
2022	-	233,437.50	-	88,062.00	321,499.50
2023	35,000.00	233,437.50	-	82,150.00	350,587.50
2024	45,000.00	231,468.76	-	88,410.00	364,878.76
2025	50,000.00	228,937.50	-	85,941.00	364,878.50
2026	55,000.00	226,125.00	-	91,076.00	372,201.00
2027	60,000.00	223,031.26	20,000.00	68,990.00	372,021.26
2028	70,000.00	219,656.26	32,000.00	57,660.00	379,316.26
2029	75,000.00	215,718.76	34,000.00	55,180.00	379,898.76
2030	85,000.00	211,500.00	38,000.00	52,545.00	387,045.00
2031	90,000.00	206,718.76	41,000.00	49,600.00	387,318.76
2032	100,000.00	201,656.26	47,000.00	46,423.00	395,079.26
2033	105,000.00	196,031.26	51,000.00	42,780.00	394,811.26
2034	115,000.00	190,125.00	59,000.00	38,828.00	402,953.00
2035	125,000.00	183,656.26	60,000.00	34,255.00	402,911.26
2036	135,000.00	176,625.00	70,000.00	29,605.00	411,230.00
2037	145,000.00	169,031.26	73,000.00	24,180.00	411,211.26
2038	160,000.00	160,875.00	80,000.00	18,523.00	419,398.00
2039	165,000.00	151,875.00	90,000.00	12,323.00	419,198.00
2040	185,000.00	142,593.76	69,000.00	5,348.00	401,941.76
2041	195,000.00	132,187.50	-	-	327,187.50
2042	210,000.00	121,218.76	-	-	331,218.76
2043	225,000.00	109,406.26	-	-	334,406.26
2044	240,000.00	96,750.00	-	-	336,750.00
2045	255,000.00	83,250.00	-	-	338,250.00
2046	275,000.00	68,906.26	-	-	343,906.26
2047	290,000.00	53,437.50	-	-	343,437.50
2048	660,000.00	37,125.00	-	-	697,125.00
	<u>\$ 4,150,000.00</u>	<u>\$ 5,335,429.82</u>	<u>\$ 764,000.00</u>	<u>\$ 1,089,971.00</u>	<u>\$ 11,339,400.82</u>

(1) - Assumes that mandatory sinking fund redemption payments are made but assumes no optional redemptions occur.

(2) - The interest payments due on December 1, 2018 through December 1, 2019, are expected to be paid with capitalized interest.

(3) - Includes the forecasted payment of principal and interest on December 15 of each year indicated. The 2018B Subordinate Bonds have no fixed principal payment amounts due prior to maturity. The payments with respect to the 2018B Subordinate Bonds shown above reflect the forecasted principal and interest payments shown on Exhibit III of the Financial Forecast as included as Appendix C to the Limited Offering Memorandum dated May 3, 2018 related to the issuance of these bonds. These payments, however, are only forecasted amounts as and no assurance is given that the principal and interest on the 2018B Subordinate Bonds will be paid as set forth in this table. In addition to the other assumptions reflected in this table and the financial forecast, this assumes that no optional redemptions of the 2018B Subordinate Bonds will be made prior to maturity.

This information is an integral part of the accompanying budget.



## BUDGET RESOLUTION

**(2021)**

**CERTIFIED COPY OF RESOLUTION**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF ADAMS )

At the special meeting of the Board of Directors of Village at SouthGate Metropolitan District, City of Brighton, County of Adams, Colorado, held at 10:00 AM on Wednesday, November 11, 2020, at 1700 Broadway, Suite 640, Denver, Colorado 80202, there were present:

Kevin Amolsch  
Jared Seidenberg  
Justin Cooper  
Ronald Meier  
Travis Sperr

Also present was Dianne Miller/Michael Davis of Miller & Associates Law Offices, LLC (“District Counsel”)

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a special meeting of the Board of Directors of the District and that a notice of the meeting was posted in at three (3) places within the boundaries of the District and at the Adams County Clerk and Recorder's Office, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director \_\_\_\_\_ introduced and moved the adoption of the following Resolution:

## RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT, CITY OF BRIGHTON, ADAMS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2021 AND ENDING ON THE LAST DAY OF DECEMBER, 2021.

WHEREAS, the Board of Directors (the “Board”) of the Village at SouthGate Metropolitan District (the “District”) has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2020; and

WHEREAS, the proposed 2021 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on October 28, 2020 in the Brighton Standard Blade, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 10:00 AM on Wednesday, November 11, 2020, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT, ADAMS COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2021 Revenues and 2021 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2021, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2021.

Section 3. 2021 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$\_\_\_\_\_, and that the 2020 valuation for assessment, as certified by the Adams County Assessor, is \$-\_\_\_\_\_. That for the purposes of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2020.

Section 4. 2021 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$\_\_\_\_\_ and that the 2020 valuation for assessment, as certified by the Adams County Assessor, is \$-\_\_\_\_\_. That for the purposes of meeting all debt retirement expenses of the District during the 2021 budget year, there is hereby levied a tax of \_\_\_\_\_ mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2020.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the Adams County Board of County Commissioners, no later than December 15, 2020, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 6.     Appropriations.   That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7.     Budget Certification.   That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director \_\_\_\_\_.

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 11, 2020.

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT

By: \_\_\_\_\_  
Kevin Amolsch, President

ATTEST:

\_\_\_\_\_  
Jared Seidenberg, Secretary/Treasurer

STATE OF COLORADO  
COUNTY OF ADAMS  
VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT

I, Jared Seidenberg, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Village at SouthGate Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 10:00 AM on Wednesday, November 11, 2020, at 1700 Broadway, Suite 640, Denver, Colorado 80202 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2021; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on November 11, 2020.

---

Jared Seidenberg, Secretary/Treasurer

**EXHIBIT A**  
**2021 BUDGET DOCUMENT & BUDGET MESSAGE FOR**  
**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT**

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT  
2021 BUDGET**

**SUMMARY OF SIGNIFICANT ASSUMPTIONS**





## SCHILLING & COMPANY, INC.

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
FAX: 720.348.2920

October 27, 2020

To the Board of Directors  
Village at SouthGate Metropolitan District  
Adams County, Colorado

We are pleased to confirm our acceptance and understanding of the services we are to provide for Village at SouthGate Metropolitan District (District) for the year ending December 31, 2021.

### **Compiled Financial Statements**

You have requested that we prepare the financial statements of Village at SouthGate Metropolitan District (District), which comprise the annual, monthly, quarterly and/or other period as requested by the Board of Directors, balance sheet – governmental funds and the related statements of revenues, expenditures and changes in fund balance – governmental funds, and the statement of revenue, expenditures and changes in fund balance – budget and actual – general fund for the year ended December 31, 2021, and perform a compilation engagement with respect to those financial statements. These financial statements will not include the government wide financial statements and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. In addition, the schedule of revenue, expenditures and changes in fund balance – budget and actual – debt service fund, the schedule of cash position (if presented), schedule of changes in long-term obligations (if presented), and the continuing disclosure (if presented), will be prepared and presented with the financial statements. Such supplementary information is the responsibility of management and will be subject to our compilation engagement.

### **Our Responsibilities**

The objective of our engagement is to—

- 1) prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you,
- 2) apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America, and
- 3) We are responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity,

professional competence, and due care, when performing the bookkeeping services, preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the District or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- 2) The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America.
- 3) The prevention and detection of fraud.
- 4) To ensure that the District complies with the laws and regulations applicable to its activities.
- 5) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 6) To provide us with—
  - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - additional information that we may request from you for the purpose of the compilation engagement.
  - unrestricted access to persons within the District of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our bookkeeping services and the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

### **Our Report**

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content.

Our report will disclose that the District's management has elected to omit the government wide financial statements and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the government wide financial statements and 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 will not be designed for those who are not informed about such matters.

We are not independent with respect to Village at SouthGate Metropolitan District and will disclose that we are not independent in our compilation report.

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so. The supplementary information accompanying the financial statements will be presented for purposes of additional analysis. Our report will not express an opinion, a conclusion, nor provide any assurance on such information.

### **Compiled 2022 Budget**

You have requested that we prepared the 2022 budget of revenues, expenditures and fund balance and summaries of significant assumptions of Village at SouthGate Metropolitan District (District) for the year ending December 31, 2022, including the estimates of comparative information for the year ending December 31, 2021 (together referred to as the 2022 Budget), and perform a compilation engagement with respect to the 2022 Budget.

### **Our Responsibilities**

The objective of our engagement is to—

- 1) prepare 2022 Budget in accordance with format required by Colorado Revised Statutes (C.R.S.) 29-1-105 based on information provided by you,
- 2) apply accounting and financial reporting expertise to assist you in the presentation of the 2022 Budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the 2022 Budget in order for them to be in accordance with the format required by C.R.S 29-1-105, and
- 3) We are responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 2022 budget is free from material misstatement, whether due to fraud or error.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the 2022 Budget, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of

expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the 2022 Budget.

Our engagement cannot be relied upon to identify or disclose any 2022 Budget misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the District or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare the 2022 Budget in accordance with the format required by C.R.S. 29-1-105 and assist you in the presentation of the 2022 Budget in accordance with the format required by C.R.S. 29-1-105. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The selection of the format required by C.R.S. 29-1-105 as the financial reporting framework to be applied in the preparation of the 2022 Budget.
- 2) The preparation and fair presentation of 2022 Budget in accordance with the format required by C.R.S. 29-1-105.
- 3) The prevention and detection of fraud.
- 4) To ensure that the District complies with the laws and regulations applicable to its activities.
- 5) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 6) To provide us with—
  - access to all information of which you are aware is relevant to the preparation and fair presentation of the 2022 Budget, such as records, documentation, and other matters.
  - additional information that we may request from you for the purpose of the compilation engagement.
  - unrestricted access to persons within the District of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our bookkeeping services and the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

## **Our Report**

As part of our engagement, we will issue a report that will state that we did not audit or review the 2022 Budget and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it. There may be circumstances in which the report differs from the expected form and content.

We are not independent with respect to Village at SouthGate Metropolitan District and will disclose that we are not independent in our compilation report.

If, for any reason, we are unable to complete the compilation of your 2022 budget, we will not issue a report on such statements as a result of this engagement.

Our report will disclose that the 2022 Budget is presented in the prescribed form in accordance with the requirements of C.R.S. 29-1-105 and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

You agree to include our accountant's compilation report in any document containing the 2022 Budget that indicates that we have performed a compilation engagement on such 2022 Budget and, prior to the inclusion of the report, to ask our permission to do so.

### **Other Services**

In addition to the compilation services described above, we will provide the following bookkeeping and other services:

- 1) Maintain the following accounting records for the District and, as applicable, reconcile them on a monthly basis:
  - a. Checking/Bank Register for each Bank Account
  - b. Cash Receipts Journal
  - c. Cash Disbursements Journal
  - d. General Ledger
  - e. General Journal Report
  - f. Accounts Receivable Journals and Ledgers
  - g. Reconciliations of Bank and Investment accounts
- 2) Attendance at board meetings, in person or via telephone conference as requested by the Board of Directors, unless prior notification is provided regarding conflicts, if any
- 3) Annual duties:
  - a. Assistance with preparation and filing of the certification of mill levies, as requested
  - b. Assistance with preparing the District's accounting records, audit schedules and financial statements for audit by an Independent Certified Public Accountant in accordance with the relevant State of Colorado Statutes and the District's bond documents and responding to questions from the auditor.
- 4) Assistance with preparing the Continuing Disclosure information required by the outstanding bond issues.

### **Other Relevant Information**

Neil Schilling is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for the services provided under this agreement will be billed at an hourly rate of \$140 per hour for time incurred. You will also be billed for out-of-pocket costs such as report production, word processing, postage, travel, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We may from time to time, and depending on the circumstances, use certain third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect

the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

In accordance with C.R.S. § 8-17.5-101, *et seq.*, Schilling & Company, Inc. (Company) hereby certifies to the District that:

The Company hereby states to the District that the Company does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101 C.R.S.) in order to confirm the employment eligibility of all employees of the Company who are newly hired to perform work under the Agreement.

In accordance with §8-17.5-102 C.R.S., the Company shall not:

- (a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or
- (b) Enter into a contract with a subcontractor that fails to certify to the Company that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

The Company represents and warrants it has confirmed the employment eligibility of all of its employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

The Company is prohibited from using the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

If the Company obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Company shall:

- (a) Notify the subcontractor and the District within three days that the Company has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- (b) Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or

contracting with the illegal alien; except that the Company shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

The Company shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation that the Department is undertaking pursuant to the authority established in §8-17.5-102, C.R.S.

If the Company violates any provision of § 8-17.5-102, C.R.S., the District may terminate the Agreement immediately and the Company shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Company to the Colorado Secretary of State, as required by law.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

*SCHILLING & COMPANY, INC.*

Acknowledged:

Village at SouthGate Metropolitan District

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Board Member

---

Date

WHEREAS, § 32-1-104(2), C.R.S., requires that the District, on or before January 15, file a copy of the notice required pursuant to § 32-1-809(1), C.R.S., with the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division; and



WHEREAS, the Local Government Budget Law of Colorado, §§ 32-1-101, *et seq.*, C.R.S., requires each Board to hold a public hearing on proposed budgets and amendments thereto, to adopt budgets and to file copies of the budgets and amendments thereto with the Division; and

WHEREAS, § 39-5-128, C.R.S., requires the District to certify its mill levy with the Board of County Commissioners on or before December 15; and

WHEREAS, § 29-1-205, C.R.S., requires the District to prepare an informational listing of all contracts in effect with other political subdivisions and submit said list to the Division within thirty (30) days after receiving a written request; and within ten (10) days after execution of a contract establishing a separate governmental entity pursuant to Section 29-1-204, C.R.S., or an amendment or modification thereof, the District must file a copy of such contract, amendment or modification with the Division, pursuant to Section 29-1-204, C.R.S.; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101, *et seq.*, C.R.S., issuers of non-rated public securities must file an annual report with the Department of Local Affairs within sixty (60) days of the close of the fiscal year; and

WHEREAS, pursuant to § 29-1-604(1), C.R.S., any local government where neither revenues nor expenditures exceed One Hundred Thousand Dollars (\$100,000) in any fiscal year commencing on or after January 1, 1998, may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-604(2)(a), C.R.S., any local government where revenues or expenditures for any fiscal year commencing on or after January 1, 2004, but prior to January 1, 2015, are least One Hundred Thousand Dollars (\$100,000) but not more than Five Hundred Thousand Dollars (\$500,000), may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-604(2)(b), C.R.S., any local government where revenues or expenditures for any fiscal year commencing on or after January 1, 2015, are least One Hundred Thousand Dollars (\$100,000) but not more than Seven Hundred and Fifty Thousand Dollars (\$750,000), may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-606(7), C.R.S., if a District has authorized but unissued general obligation debt as of the end of the fiscal year, such District shall submit its audit report or a copy of its application for exemption from audit to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District; and

WHEREAS, pursuant to § 32-1-202(2)(b), C.R.S., the Board shall notify the Board of County Commissioners or the governing body of the municipality of any alteration or revision of the proposed schedule of debt issuance set forth in the financial plan included in the District's service plan; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101, *et seq.*, C.R.S., requires that political subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, §§ 32-1-101, *et seq.*, C.R.S., requires the District to publish certain legal notices in a newspaper of general circulation in the District; and

WHEREAS, the Directors may receive compensation for their services subject to the limitations imposed by §§ 32-1-902(3)(a)(I) & (II), C.R.S.; and

WHEREAS, pursuant to § 32-1-902(1), C.R.S., each respective Board shall elect officers of each respective District; and

WHEREAS, the Directors are governed by § 32-1-902(3)(b), C.R.S., which requires a Director to disqualify himself or herself from voting on an issue in which s/he has a conflict of interest, unless the Director has properly disclosed such conflict in compliance with law and files said conflict disclosure statements at least seventy-two (72) hours prior to any regular or special meeting of the District; and

WHEREAS, § 24-6-402(2)(c), C.R.S., specifies the duty of the Board to designate a posting place for notices of meetings (which posting place may be website, social media account, or other official online presence of the District), and requires that notice of such meetings be posted at least twenty-four (24) hours prior to said meeting; and

WHEREAS, § 32-1-903, C.R.S., requires that the Board shall meet regularly at a time and in a place to be designated by the Board and requires that notice of such meetings be posted in accordance with § 24-6-402(2); and

WHEREAS, elections may be held pursuant to the Colorado Local Government Election Code, §§ 1-13.5-101, *et seq.*, C.R.S., Special District Act, §§ 32-1-101, *et seq.*, C.R.S., and the Uniform Election Code of 1992, §§ 1-1-101, *et seq.*, C.R.S., for the purpose of: (1) electing members of each Board; (2) presenting certain ballot issues to the eligible electors of the District as required by Article X Section 20 of the Colorado Constitution; and (3) presenting certain ballot issues and questions to the eligible electors of the District; and

WHEREAS, § 1-5-102, C.R.S., specifies that the Board shall designate polling places for nonpartisan elections, other than coordinated elections, no later than twenty-five (25) days prior to an election; and

WHEREAS, § 1-11-103(3) and § 32-1-1101.5, C.R.S., require the District to notify the Division of the results of any elections held by the District within thirty (30) days after the election and to certify results of any election to incur general obligation indebtedness via certified mail to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District within forty-five (45) days after the election; and

WHEREAS, §§ 32-1-1604, C.R.S., requires the Board to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring said indebtedness; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District may require the District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, pursuant to § 32-1-207(3)(c), C.R.S., the District, if requested, may be required to file an annual report with the Board of County Commissioners or the governing body of any municipalities in which the District is wholly or partially located, the State Auditor, the County Clerk and Recorder and any interested parties entitled to notice pursuant to § 32-1-204(1), C.R.S.; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., each Board is given authority to obtain insurance; and

WHEREAS, in accordance with C.R.S. § 32-1-809(1), not more than sixty (60) days prior to and not later than January 15 of each year, the District shall provide notice to the District's eligible electors in the manner set forth in C.R.S. § 32-1-809(2); and

WHEREAS, pursuant to C.R.S. § 32-1-104.8(1), the District is required to record a public disclosure document and map of the boundaries of the District with the County Clerk and Recorder, such public disclosure document shall contain certain information pertaining to the District as further described in C.R.S. § 32-1-104.8(1), and, pursuant to C.R.S. § 32-1-104.8(2), such public disclosure document and map shall be recorded with the County Clerk and Recorder and such public disclosure document(s) and map(s) shall be recorded with the County Clerk and Recorder at the same time of any decree or order confirming the inclusion of any real property into the boundaries of the District is recorded pursuant to C.R.S. § 32-1-105; and

WHEREAS, in accordance with C.R.S. § 24-71.3-117, the District has the power, in relation to the administration of the affairs of the District, or any of its instrumentalities, to determine the extent to which it will create and retain electronic records and electronic signatures.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT AS FOLLOWS:

1. The Board directs the District's engineer to keep accurate maps and the District's legal counsel to file such maps with the Division, County Assessor and County Clerk and Recorder and submit any changes to the maps on or before January 1.
2. The Board directs legal counsel or the District's manager to file a copy of the notice otherwise required by § 32-1-809(1), C.R.S., with the , the County Assessor, the County Treasurer, the County Clerk and Recorder, and the Division on or before January 15.

3. The Board directs the District's accountant to submit proposed budgets to the Board by October 15, to prepare final budgets, including any amendments thereto, if necessary, and directs legal counsel to schedule a public hearing on the proposed budgets, to prepare all budget resolutions and for the District's accountant to file the budget resolutions with the Division on or before January 30.
4. The Board directs the District's accountant, manger or legal counsel to certify the mill levies with the Board of County Commissioners on or before December 15.
5. The Board directs the District's manager or legal counsel to provide the Division a current list of all contracts in effect with other political subdivisions within thirty (30) days after receiving a written request, pursuant to Section 29-1-205, C.R.S. Within ten (10) days after execution of a contract establishing a separate governmental entity pursuant to Section 29-1-204, C.R.S., or an amendment or modification thereof, the Board directs legal counsel to file a copy of such contract, amendment or modification with the Division, pursuant to Section 29-1-204, C.R.S.
6. The Board directs the District's manager or legal counsel to prepare and file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year.
7. The Board directs the District's auditor to prepare audits of the financial statements and submit such draft audits to the Board before June 30; further, the Board directs that the auditor file the final audits with the State Auditor by July 31. If the District is eligible for an audit exemption under applicable law, then the Board directs that the District's accountant apply for and obtain such audit exemption from the State Auditor on or before March 31.
8. The Board directs the District's accountant and auditor, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, as follows: (1) if the District is eligible for an audit exemption pursuant to §§ 29-1-604(1) or (2), C.R.S., then, pursuant to § 29-1-606(7), C.R.S., the District's accountant shall submit a copy of the District's application for exemption to the ; and (2) if the District is required to submit an annual audit pursuant to §§ 29-1-601, *et seq.*, C.R.S., then, pursuant to § 29-1-606(7), C.R.S., the District's auditor shall submit its audit report to the .
9. The Board directs the District's manager or legal counsel to include in any annual report to be submitted to the , any alteration of or revisions to the proposed schedule of debt issuance set forth in the District's service plan, pursuant to § 32-1-202(2)(b), C.R.S. In the event that an annual report is not required to be filed, then the District's manager shall provide any such notice of debt issuance alteration or revision at the time the District's certified budget is filed with the Division.

10. The Board directs the District's manager or legal counsel to prepare the Unclaimed Property Act reports, as needed, and submit the same to the State Treasurer.
11. The Board designates the Brighton Standard Blade as a newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes in the Brighton Standard Blade.
12. The Board determines that each Director shall not receive compensation for services as Directors, in accordance with §§ 32-1-902(3)(a)(I) & (II), C.R.S.
13. The Board hereby elects the following officers for the District:

President:	Kevin Amolsch
Secretary/Treasurer:	Jared Seidenberg
Assistant Secretary:	Justin Cooper
Assistant Secretary:	Ronald Meier
Assistant Secretary:	Travis Sperr
14. The District hereby determines that each present and future member of the Board shall complete conflict disclosure forms and directs legal counsel to file the conflict disclosure forms with the Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board.
15. The Board designates the following location as the District's physical posting place for notices of meetings, in addition to any website, social media account, or other official online presence of the District approved by the Board, pursuant to § 24-6-402(2)(c), C.R.S.:

The northwest corner of the District
16. The Board determines to hold regular meetings on the fourth Wednesday of October at 11:00 A.M., at 1700 Broadway, Suite 640, Denver, Colorado 80202.
17. Michael Davis, of the law firm of Miller & Associates Law Offices, LLC, is hereby appointed as the "Designated Election Official" of the Board for any election(s) to be held during 2021 and any subsequent year. The Board hereby grants all powers and authority for the proper conduct of the election(s) to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board(s) and cancellation, if applicable, of the election(s).
18. The Board deems it expedient for the convenience of the electors that it shall establish a polling place for all regular and special elections of the District. There shall be one (1) polling place for the elections. This polling place shall be used for any regular or special elections to be held in 2021, and in each fiscal year thereafter until such polling place is changed by duly adopted resolution of the Board. Such polling place shall be located at the offices of Miller & Associates Law Offices,

LLC, 1641 California Street, Suite 300, Denver, CO 80202. All voters for the District shall vote at the designated polling place. Handicapped and nonresident voters shall vote at the same polling place. A map showing the District's boundaries is on file at the offices of the District's general counsel, Miller & Associates Law Offices, LLC, 1641 California Street, Suite 300, Denver, CO 80202, and is available for examination by all interested persons.

19. In accordance with § 1-11-103(3) and § 32-1-1101.5, C.R.S., the District directs legal counsel and the Designated Election Official to notify the Division of the results of any elections held by the District within thirty (30) days after the election and to certify results of any election to incur general obligation indebtedness to the within forty-five (45) days after the election.
20. In accordance with § 32-1-1604, C.R.S., the Board directs legal counsel to record a notice of authorization of or notice to incur general obligation debt with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness.
21. The Board directs the District's manager or legal counsel to prepare and file with the , if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.
22. The Board directs the District's manager or legal counsel to prepare and file, if requested, the special district annual report.
23. The Board directs the District's manager or legal counsel to obtain proposals for insurance to insure the District against all or any part of the District's liability for injury; to insure the Directors acting within the scope of employment by the Board against all or any part of such liability for an injury; to insure against the expense of defending a claim for injury against the District or its Board. The Board will annually review all insurance policies in effect.
24. In accordance with C.R.S. § 32-1-809(1), the Board hereby directs the District's manager or legal counsel, not more than sixty (60) days prior to and not later than January 15 of each year, to provide notice to the District's eligible electors in the manner set forth in C.R.S. § 32-1-809(2).
25. Pursuant to C.R.S. § 32-1-104.8(1), the Board hereby directs the District's manager or legal counsel to prepare and record any amended public disclosure document(s) and map(s) with the County Clerk and Recorder pursuant to C.R.S. § 32-1-105 should any property be included into the boundaries of any District.
26. In accordance with C.R.S. § 24-71.3-117, the Board hereby determines, in relation to the administration of the affairs of the District, or any of its instrumentalities, that the transactions of the District may be conducted, and related documents may be stored, by electronic means, and that copies, telecopies, facsimiles, electronic

files, and other reproductions of original executed documents shall be deemed authentic and valid counterparts of such original documents for all purposes, including without limitation the filing of any claim, action, or suit in the appropriate court of law.

Whereupon, the motion was seconded by Director \_\_\_\_\_, and upon vote, unanimously carried.

ADOPTED AND APPROVED ON NOVEMBER 11, 2020.

VILLAGE AT SOUTHGATE  
METROPOLITAN DISTRICT

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Kevin Amolsch, President

ATTEST:

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Jared Seidenberg, Secretary/Treasurer





**Karen Steggs**

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**Subject:** FW: Foley Park Dedication

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**From:** Travis Haines <[thaines@brightonco.gov](mailto:thaines@brightonco.gov)>

**Sent:** Tuesday, September 29, 2020 2:40 PM

**To:** Judy Leyshon

**Subject:** Foley Park Dedication

Good afternoon Judy. I just got back into the office today and I wanted to thank you for allowing us to utilize the barn for the park dedication last Saturday. It was a great event and the family really enjoyed themselves. We have had a handful of individuals that live in the surrounding houses in that subdivision contact us asking how they can reserve the barn for events. They all indicated that they have not been told how to reserve it or what the rules are for reserving it. I'm not 100% sure what the district's plans are for allowing use but is there a way the residents can be reached about it? Thank you again, we really appreciate it!

--

***Travis Haines***

**Director of Parks and Recreation**

**City of Brighton**

**500 S. 4<sup>th</sup> Ave**

**Brighton, Co 80601**

**303-655-2086**

**[thaines@brightonco.gov](mailto:thaines@brightonco.gov)**

