

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

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Kevin Amolsch	President	2022/May 2022
Jared Seidenberg	Secretary/Treasurer	2022/May 2022
Ronald Meier	Assistant Secretary	2022/May 2022
Justin Cooper	Assistant Secretary	2023/May 2023
Travis Sperr	Assistant Secretary	2023/May 2023

DATE: October 27, 2021

TIME: 11:00 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/84301594486?pwd=SjAxb2hpYXM4TEljd3drYUhrQjIyZz09>

Meeting ID: 843 0159 4486

Passcode: 754678

Dial In: 1-253-215-8782

One tap mobile

+12532158782,,84301594486# US (Tacoma)

I. ADMINISTRATIVE MATTERS

A. Call to Order/Declaration of Quorum.

B. Present Disclosures of Potential Conflicts of Interest.

C. Approve Agenda, confirm location of the meeting and posting of meeting notices.

D. Review and consider approval of Minutes from the July 15, 2021 Special Meeting (enclosure).

II. FINANCIAL MATTERS

- A. Ratify the payment of claims for the period beginning May 15, 2021 through October 13, 2021, in the amount of \$196,477.20 (enclosure).

- B. Review and accept the Unaudited Financial Statements through the period ending August 31, 2021 (enclosure).

- C. Consider engagement of Dazzio & Associates, P.C. to prepare the 2021 Audit, for an amount not-to-exceed \$4,900 (enclosures).

- D. Conduct Public Hearing to consider Amendment to 2021 Budget and consider adoption of Resolution to Amend the 2021 Budget and Appropriate Expenditures.

- E. Conduct Public Hearing on the proposed 2022 Budget and consider adoption of Resolutions to Adopt the 2022 Budget and Appropriate Sums of Money and Set Mill Levies (for General Fund ____, Debt Service Fund ____ and Other Fund(s)____) (enclosures – preliminary assessed valuation, Resolutions and 2022 Budget).

- F. Schedule July 2022 Board meeting to approve the 2021 Audit.

- G. Consider a resolution pursuant to 32-1-1001(1)(j) to impose transfer fees on properties within the District (enclosure).

III. LEGAL MATTERS

- A. Consider adoption of 2022 Annual Administrative Resolution (enclosure).

- B. Consider adoption of Compliance Resolution (enclosure).

- C. Consider approval of 2022 Resolution Waiving Workers' Compensation Insurance for 2022 (enclosure).
-

- D. Review and consider adoption of Resolution Calling May 3, 2022 Election for Directors, appointing Designated Election Official ("DEO") and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. Self-Nomination Forms are due by February 25, 2022 (enclosure). Discuss the need for ballot issues and/or questions.
-

- E. Update on Legislation (enclosure).
-

IV. STATUS OF DEVELOPMENT

- A. Update on status of Development.
-

V. OTHER BUSINESS

- A. _____
-

VI. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2021**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT HELD JULY 15, 2021

The special meeting of the Board of Directors of the Village at Southgate Metropolitan District (referred to hereafter as the “Board”) was convened on Thursday, the 15th day of July, 2021, at 10:00 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.

ATTENDANCE

Directors In Attendance Were:

Kevin Amolsch
Jared Seidenberg
Ronald Meier
Travis Speer

Following discussion, upon motion duly made by Director Cooper, seconded by Director Seidenberg and, upon vote, unanimously carried, the absence of Director Cooper was excused.

Also In Attendance Were:

Matt Cohrs; Special District Management Services, Inc.

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

Neil Schilling; Schilling & Company, Inc.

CALL TO ORDER

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

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

RECORD OF PROCEEDINGS

act. Written disclosures of the interests of all directors were filed with the Secretary of State and the District prior to the meeting.

ADMINISTRATIVE MATTERS

Agenda: Mr. Cohrs 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.

Minutes: The Board reviewed the Minutes of the June 8, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Amolsch, seconded by Director Cooper and, upon vote, unanimously carried, the Minutes of the June 8, 2021 Special Meeting were approved, as presented.

Metco Agreement: Following discussion, upon motion duly made by Director Amolsch, seconded by Director Seidenberg and, upon vote, unanimously carried, the Board approved the proposal from Metco Landscape for snow removal services.

PUBLIC COMMENTS

There were no public comments.

FINANCIAL MATTERS

2020 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following review and discussion, Director Seidenberg moved to adopt the Resolution to Amend 2020 Budget, Director Amolsch seconded the motion and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2020 Budget.

2020 Audit: Mr. Schilling reviewed the 2020 draft Audited Financial Statements with the Board.

RECORD OF PROCEEDINGS

Following review and discussion, upon motion duly made by Director Seidenberg, seconded by Director Meier and, upon vote, unanimously carried, the Board approved the 2020 Audited Financial Statements and authorized execution of the Representations Letter.

LEGAL MATTERS

Barn and Silo Rules and Regulations: The Board discussed the barn and silo Rules and Regulations. It was noted that insurance requirements for alcohol need to be researched further.

First Amendment to the Resolution of the Board of Directors of Village at Southgate Metropolitan District Regarding the Conveyance of Certain Tracts and Lots: The Board entered into discussion regarding First Amendment to the Resolution of the Board of Directors of Village at Southgate Metropolitan District Regarding the Conveyance of Certain Tracts and Lots.

Following discussion, upon motion duly made by Director Meier, seconded by Director Seidenberg and, upon vote, unanimously carried, the Board approved the First Amendment to the Resolution of the Board of Directors of Village at Southgate Metropolitan District Regarding the Conveyance of Certain Tracts and Lots.

STATUS OF DEVELOPMENT

Update on Status of Development: No discussion.

OTHER BUSINESS

There was no other business at this time.

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary

Village at SouthGate Metropolitan District
Check Detail
 May 15 through October 22, 2021

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	Bill.com	10/13/2021	United Power	1072 · Bill.com Money Out Clearing	\$ (25.69)
Bill	Acct 20903601	09/10/2021		4-5077 · Electricity - Silo - SRF	\$ 25.69
					\$ 25.69
Bill Pmt -Check	Bill.com	10/13/2021	City of Brighton	1072 · Bill.com Money Out Clearing	\$ (4,339.76)
Bill	6000030296	08/19/2021		4-5076 · Water - Openspace - SRF	\$ 4,339.76
					\$ 4,339.76
Bill Pmt -Check	Bill.com	10/13/2021	UMB Bank	1072 · Bill.com Money Out Clearing	\$ (2,767.83)
Bill	August Taxes	10/07/2021		2-1050 · Property & SO Tax Clearing	\$ 2,767.83
					\$ 2,767.83
Bill Pmt -Check	Bill.com	10/13/2021	City of Brighton	1072 · Bill.com Money Out Clearing	\$ (1,887.85)
Bill	6000030293	08/19/2021		4-5076 · Water - Openspace - SRF	\$ 1,887.85
					\$ 1,887.85
Bill Pmt -Check	Bill.com	10/13/2021	City of Brighton	1072 · Bill.com Money Out Clearing	\$ (2,338.60)
Bill	6000030295	08/19/2021		4-5076 · Water - Openspace - SRF	\$ 2,338.60
					\$ 2,338.60
Bill Pmt -Check	Bill.com	10/13/2021	Metco Landscape	1072 · Bill.com Money Out Clearing	\$ (2,576.75)
Bill	SM203085	06/01/2021		4-5065 · Landscape Maintenance - SRF	\$ 2,576.75
					\$ 2,576.75
Bill Pmt -Check	Bill.com	10/13/2021	UMB Bank	1072 · Bill.com Money Out Clearing	\$ (21,000.00)
Bill	Sept/Oct Facility Fe	10/07/2021		2-1050 · Property & SO Tax Clearing	\$ 21,000.00
					\$ 21,000.00
Bill Pmt -Check	Bill.com	10/13/2021	United Power	1072 · Bill.com Money Out Clearing	\$ (24.52)
Bill	Acct 20903501	09/20/2021		4-5078 · Electricity - Barn - SRF	\$ 24.52
					\$ 24.52
Bill Pmt -Check	Bill.com	10/13/2021	Independent District Engineering Services	1072 · Bill.com Money Out Clearing	\$ (1,112.00)
Bill	10718	08/31/2021		1-5060 · Engineering/Consulting	\$ 1,112.00
					\$ 1,112.00

Village at SouthGate Metropolitan District

Check Detail

May 15 through October 22, 2021

Type	Num	Date	Name	Account	Paid Amount
					\$ 1,112.00
Bill Pmt -Check	Bill.com	10/13/2021	City of Brighton	1072 · Bill.com Money Out Clearing	\$ (555.83)
Bill	00030294	08/19/2021		4-5076 · Water - Openspace - SRF	\$ 555.83
					\$ 555.83
Bill Pmt -Check	Bill.com	10/13/2021	Special District Management Services, Inc	1072 · Bill.com Money Out Clearing	\$ (4,885.82)
Bill	6/30/2021	06/30/2021		1-5017 · Management services	\$ 2,001.82
				4-5017 · Management and Billing - SRF	\$ 2,884.00
					\$ 4,885.82
Bill Pmt -Check	1126	05/17/2021	Miller & Associates Law Offices	1-1000 · FirstBank Checking-5457	\$ (2,248.00)
Bill	Inv 4/30/2021	04/30/2021		1-5005 · Legal	\$ 2,248.00
					\$ 2,248.00
Bill Pmt -Check	1127	05/17/2021	Schilling & Company, Inc.	1-1000 · FirstBank Checking-5457	\$ (835.87)
Bill	Inv 12984	04/30/2021		1-5010 · Accounting	\$ 816.67
				1-5030 · Postage	\$ 19.20
					\$ 835.87
Bill Pmt -Check	1128	05/17/2021	Special District Management Services, Inc	1-1000 · FirstBank Checking-5457	\$ (2,619.05)
Bill	Inv 04/30/2021	04/30/2021		1-5017 · Management services	\$ 2,619.05
					\$ 2,619.05
Bill Pmt -Check	1129	05/17/2021	UMB Bank	1-1000 · FirstBank Checking-5457	\$ (33,736.21)
Bill	April taxes	05/17/2021		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 12,736.21
Bill	Apr-May Fac Fees	05/17/2021		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 21,000.00
					\$ 33,736.21
Bill Pmt -Check	1130	05/17/2021	United Power	1-1000 · FirstBank Checking-5457	\$ (140.00)
Bill	Acct 20903501	04/30/2021		1-5078 · Electricity - Barn	\$ 22.86
Bill	Acct 20903601	04/30/2021		1-5077 · Electricity - Silo	\$ 117.14
					\$ 140.00
Bill Pmt -Check	1131	06/25/2021	Dazzio & Associates, PC	1-1000 · FirstBank Checking-5457	VOIDED
					\$ -

Village at SouthGate Metropolitan District

Check Detail

May 15 through October 22, 2021

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	1132	06/25/2021	Miller & Associates Law Offices	1-1000 · FirstBank Checking-5457	VOIDED
					\$ -
Bill Pmt -Check	1133	06/25/2021	Schilling & Company, Inc.	1-1000 · FirstBank Checking-5457	VOIDED
					\$ -
Bill Pmt -Check	1134	06/25/2021	Special District Management Services, Inc	1-1000 · FirstBank Checking-5457	VOIDED
					\$ -
Bill Pmt -Check	1135	06/25/2021	UMB Bank	1-1000 · FirstBank Checking-5457	VOIDED
					\$ -
Bill Pmt -Check	1136	06/25/2021	United Power	1-1000 · FirstBank Checking-5457	VOIDED
					\$ -
Bill Pmt -Check	1137	06/25/2021	UMB Bank	1-1000 · FirstBank Checking-5457	VOIDED
					\$ -
Bill Pmt -Check	1138	07/27/2021	Dazzio & Associates, PC	1-1000 · FirstBank Checking-5457	\$ (4,700.00)
Bill	Inv 469	05/24/2021		1-5015 · Audit	\$ 4,700.00
					\$ 4,700.00
Bill Pmt -Check	1139	07/27/2021	Miller & Associates Law Offices	1-1000 · FirstBank Checking-5457	\$ (4,174.51)
Bill	Inv 5/31/2021	05/31/2021		1-5005 · Legal	\$ 3,198.01
				4-5005 · Legal - SRF	\$ 976.50
					\$ 4,174.51
Bill Pmt -Check	1140	07/27/2021	Special District Management Services, Inc	1-1000 · FirstBank Checking-5457	\$ (4,932.22)
Bill	Inv 5/31/2021	05/31/2021		1-5017 · Management services	\$ 1,107.98
				4-5017 · Management and Billing - SRF	\$ 3,824.24
					\$ 4,932.22
Bill Pmt -Check	1141	07/27/2021	UMB Bank	1-1000 · FirstBank Checking-5457	\$ (52,369.57)
Bill	June Taxes	07/27/2021		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 52,369.57
					\$ 52,369.57

Village at SouthGate Metropolitan District

Check Detail

May 15 through October 22, 2021

Type	Num	Date	Name	Account	Paid Amount
Bill Pmt -Check	1142	07/27/2021	United Power	1-1000 · FirstBank Checking-5457	\$ (47.93)
Bill	Acct 20903501	06/30/2021		4-5078 · Electricity - Barn - SRF	\$ 23.08
Bill	Acct 20903601	06/30/2021		4-5077 · Electricity - Silo - SRF	\$ 24.85
					\$ 47.93
Bill Pmt -Check	1143	08/24/2021	UMB Bank	1-1000 · FirstBank Checking-5457	\$ (26,207.08)
Bill	5/23-6/25 Fac Fees	08/24/2021		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 21,000.00
Bill	May Taxes	08/24/2021		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 5,207.08
					\$ 26,207.08
Bill Pmt -Check	1144	08/24/2021	UMB Bank	1-1000 · FirstBank Checking-5457	\$ (6,809.69)
Bill	July tax remittance	08/19/2021		2-1000 · UMB-2018 Sr Bond Fund-147846.1	\$ 6,809.69
					\$ 6,809.69
Bill Pmt -Check	1145	08/24/2021	City of Brighton	1-1000 · FirstBank Checking-5457	\$ (6,945.37)
Bill	Acct # 6000030294	07/15/2021		4-5076 · Water - Openspace - SRF	\$ 693.44
Bill	Acct # 6000030295	07/15/2021		4-5076 · Water - Openspace - SRF	\$ 1,664.51
Bill	Acct # 6000030296	07/15/2021		4-5076 · Water - Openspace - SRF	\$ 4,078.19
Bill	Acct # 6000030293	07/15/2021		4-5076 · Water - Openspace - SRF	\$ 509.23
					\$ 6,945.37
Bill Pmt -Check	1146	08/24/2021	Colorado Community Media	1-1000 · FirstBank Checking-5457	\$ (24.36)
Bill	Inv 31066	07/16/2021		1-5025 · Office supplies	\$ 24.36
					\$ 24.36
Bill Pmt -Check	1147	08/24/2021	Metco Landscape	1-1000 · FirstBank Checking-5457	\$ (5,153.50)
Bill	Inv SM200873	04/01/2021		4-5065 · Landscape Maintenance - SRF	\$ 2,576.75
Bill	Inv SM201362	05/01/2021		4-5065 · Landscape Maintenance - SRF	\$ 2,576.75
					\$ 5,153.50
Bill Pmt -Check	1148	08/24/2021	Miller & Associates Law Offices	1-1000 · FirstBank Checking-5457	\$ (2,608.50)
Bill	Inv 6/30/2021	06/30/2021		1-5005 · Legal	\$ 2,608.50
					\$ 2,608.50
Bill Pmt -Check	1149	08/24/2021	Schilling & Company, Inc.	1-1000 · FirstBank Checking-5457	\$ (1,410.69)
Bill	Inv 13028	05/31/2021		1-5010 · Accounting	\$ 606.66

Village at SouthGate Metropolitan District

Check Detail

May 15 through October 22, 2021

Type	Num	Date	Name	Account	Paid Amount
				1-5030 · Postage	\$ 10.70
				4-5010 · Accounting - SRF	\$ 291.66
Bill	Inv 13064	06/30/2021		1-5010 · Accounting	\$ 501.67
					\$ 1,410.69
					<u>\$ 196,477.20</u>
				Administration	\$ 53,586.82
				Transfers to UMB for Debt Service	\$ 142,890.38
					<u>\$ 196,477.20</u>

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
FINANCIAL STATEMENTS
For the Eight Months Ended August 31, 2021

DRAFT - SUBJECT TO REVISION



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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DRAFT - SUBJECT TO REVISION



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 eight months ended August 31, 2021, 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 6 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.

Highlands Ranch, Colorado
October 22, 2021

FINANCIAL STATEMENTS

DRAFT - SUBJECT TO REVISION

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2021**

	<u>General</u>	<u>Operations & Maintenance Fee - Special Revenue</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments - unrestricted	\$ 4,686	\$ 7,050	\$ -	\$ 11,736
Cash and investments - restricted	-	-	899,789	899,789
Operations and maintenance fees receivable	-	17,655	-	17,655
Due from county treasurer	692	-	2,768	3,460
Due from other fund	8,505	-	3,000	11,505
Prepaid expenditures	1,500	-	-	1,500
Property taxes receivable	8,252	-	33,010	41,262
TOTAL ASSETS	<u>\$ 23,635</u>	<u>\$ 24,705</u>	<u>\$ 938,567</u>	<u>\$ 986,907</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 13,583	\$ 21,971	\$ -	\$ 35,554
Due to other fund	3,000	8,505	-	11,505
Total liabilities	<u>16,583</u>	<u>30,476</u>	<u>-</u>	<u>47,059</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	<u>8,252</u>	<u>-</u>	<u>33,010</u>	<u>41,262</u>
Total deferred inflows of resources	<u>8,252</u>	<u>-</u>	<u>33,010</u>	<u>41,262</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid expenditures	1,500	-	-	1,500
Spendable:				
Restricted for emergencies	1,254	1,202	-	2,456
Restricted for debt service	-	-	905,557	905,557
Unassigned	(3,954)	(6,973)	-	(10,927)
Total fund balances (deficits)	<u>(1,200)</u>	<u>(5,771)</u>	<u>905,557</u>	<u>898,586</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 23,635</u>	<u>\$ 24,705</u>	<u>\$ 938,567</u>	<u>\$ 986,907</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 Eight Months Ended August 31, 2021

	<u>General</u>	<u>Operations & Maintenance Fee - Special Revenue</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 39,295	\$ -	\$ 157,176	\$ 196,471
Specific ownership taxes	2,452	-	9,810	12,262
Operations and maintenance fees	-	40,080	-	40,080
Facility fees	-	-	93,000	93,000
Net investment income	47	-	509	556
Total revenues	<u>41,794</u>	<u>40,080</u>	<u>260,495</u>	<u>342,369</u>
EXPENDITURES				
General				
Legal	19,845	2,372	-	22,217
Accounting	4,764	502	-	5,266
Audit	4,700	-	-	4,700
Management and billing services	10,670	18,385	-	29,055
Engineering and consulting	6,152	-	-	6,152
Insurance and bonds	2,515	-	-	2,515
County Treasurer's fees	590	-	2,360	2,950
Office supplies	99	-	-	99
Bank service charges	110	-	81	191
Dues and subscriptions	436	-	-	436
Landscape maintenance	-	7,730	-	7,730
Utilities:				
Water	-	16,067	-	16,067
Electricity - silo	-	621	-	621
Electricity - barn	-	174	-	174
Debt service				
Bond interest	-	-	116,719	116,719
Paying agent fees	-	-	6,000	6,000
Total expenditures	<u>49,881</u>	<u>45,851</u>	<u>125,160</u>	<u>220,892</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(8,087)</u>	<u>(5,771)</u>	<u>135,335</u>	<u>121,477</u>
OTHER FINANCING SOURCES (USES)				
Developer advances	<u>7,662</u>	-	-	<u>7,662</u>
Total other financing sources (uses)	<u>7,662</u>	-	-	<u>7,662</u>
NET CHANGE IN FUND BALANCES	(425)	(5,771)	135,335	129,139
FUND BALANCES (DEFICITS) - BEGINNING OF PERIOD	<u>(775)</u>	-	<u>770,222</u>	<u>769,447</u>
FUND BALANCES (DEFICITS) - END OF PERIOD	<u>\$ (1,200)</u>	<u>\$ (5,771)</u>	<u>\$ 905,557</u>	<u>\$ 898,586</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 Eight Months Ended August 31, 2021

	Annual Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 47,547	\$ 39,295	\$ (8,252)
Specific ownership taxes	3,398	2,452	(946)
Interest income	-	47	47
Total revenues	<u>50,945</u>	<u>41,794</u>	<u>(9,151)</u>
EXPENDITURES			
Legal	20,000	19,845	155
Accounting	9,000	4,764	4,236
Audit	4,700	4,700	-
Management services	14,000	10,670	3,330
Engineering and consulting	-	6,152	(6,152)
Insurance and bonds	2,600	2,515	85
County Treasurer's fees	713	590	123
Office supplies and postage	120	99	21
Bank service charges	120	110	10
Dues and subscriptions	400	436	(36)
Landscape maintenance	30,921	-	30,921
Snow removal	15,000	-	15,000
Utilities:			
Water	75,000	-	75,000
Electricity - Silo	2,000	-	2,000
Electricity - Barn	2,000	-	2,000
Contingency	4,177	-	4,177
Total expenditures	<u>180,751</u>	<u>49,881</u>	<u>130,870</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(129,806)</u>	<u>(8,087)</u>	<u>121,719</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	120,221	7,662	(112,559)
Total other financing sources (uses)	<u>120,221</u>	<u>7,662</u>	<u>(112,559)</u>
NET CHANGE IN FUND BALANCE	(9,585)	(425)	9,160
FUND BALANCE (DEFICIT) - BEGINNING OF PERIOD	<u>11,117</u>	<u>(775)</u>	<u>(11,892)</u>
FUND BALANCE (DEFICIT) - END OF PERIOD	<u>\$ 1,532</u>	<u>\$ (1,200)</u>	<u>\$ (2,732)</u>

These financial statements should be ready 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 - OPERATIONS AND MAINTENANCE FEE -
SPECIAL REVENUE FUND
For the Eight Months Ended August 31, 2021

	Annual Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Operations and maintenance fees	\$ -	\$ 40,080	\$ 40,080
Total revenues	<u>-</u>	<u>40,080</u>	<u>40,080</u>
EXPENDITURES			
Legal	-	2,372	(2,372)
Accounting	-	502	(502)
Management and billing services	-	18,385	(18,385)
Landscape maintenance	-	7,730	(7,730)
Utilities:			
Water	-	16,067	(16,067)
Electricity - silo	-	621	(621)
Electricity - barn	-	174	(174)
Total expenditures	<u>-</u>	<u>45,851</u>	<u>(45,851)</u>
NET CHANGE IN FUND BALANCE	-	(5,771)	(5,771)
FUND BALANCE - BEGINNING OF PERIOD	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF PERIOD	<u>\$ -</u>	<u>\$ (5,771)</u>	<u>\$ (5,771)</u>

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

SUPPLEMENTAL INFORMATION

DRAFT - SUBJECT TO REVISION

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - DEBT SERVICE FUND
For the Eight Months Ended August 31, 2021

	<u>Annual Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Property taxes	\$ 190,186	\$ 157,176	(33,010)
Specific ownership taxes	13,593	9,810	(3,783)
Facility fees	54,000	93,000	39,000
Interest income	7,000	509	(6,491)
Total revenues	<u>264,779</u>	<u>260,495</u>	<u>(4,284)</u>
EXPENDITURES			
Bank service charges	800	81	719
Treasurer's fees	2,853	2,360	493
Bond interest	258,438	116,719	141,719
Paying agent fees	6,000	6,000	-
Contingency	4,728	-	4,728
Total expenditures	<u>272,819</u>	<u>125,160</u>	<u>147,659</u>
NET CHANGE IN FUND BALANCE	(8,040)	135,335	143,375
FUND BALANCE - BEGINNING OF PERIOD	<u>835,052</u>	<u>770,222</u>	<u>(64,830)</u>
FUND BALANCE - END OF PERIOD	<u>\$ 827,012</u>	<u>\$ 905,557</u>	<u>\$ 78,545</u>

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



Dazzio & Associates, PC

Certified Public Accountants

October 20, 2021

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, 2021.

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, 2021.

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 \$4,900. 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: _____

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT

Miller & Associates Law Offices, LLC
1641 California St, Ste 300
Denver, CO 80202-3704

Our auditors, Dazzio & Associates, PC, 8200 S. Quebec St., Suite A3259, Centennial, Colorado, 80112, are conducting an audit of our financial statements at December 31, 2021 and for the year then ended. This letter will serve as our consent for you to furnish to our auditors all the information requested herein. Accordingly, please provide to them the information requested below involving matters with respect to which you have been engaged and to which you have devoted substantive attention on behalf of the District in the form of legal consultation or representation.

Pending or Threatened Litigation, Claims, and Assessments (excluding unasserted claims and assessments)

Please prepare a description of all material pending or threatened litigation, claims, and assessments (excluding unasserted claims and assessments). Materiality for purposes of this letter includes items involving amounts exceeding \$5,000 individually or in the aggregate. The description of each matter should include:

- 1) the nature of the litigation;
- 2) the progress of the matter to date;
- 3) how management of the District is responding or intends to respond to the litigation; e.g., to contest the case vigorously or to seek an out-of-court settlement; and
- 4) an evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

Also, please identify any pending or threatened litigation, claims, and assessments with respect to which you have been engaged but as to which you have not devoted substantive attention.

Unasserted Claims and Assessments

We have represented to our auditors that there are no unasserted possible claims or assessments that you have advised us are probable of assertion and must be disclosed in accordance with *FASB Accounting Standards Codification 450, Contingencies* ([link](#)) .

We understand that, whenever, in the course of performing legal services for us with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, if you have formed a professional conclusion that we should disclose or consider disclosure concerning such possible claim or assessment, as a matter of professional responsibility to us, you will so advise us and will consult with us concerning the question of such disclosure and the applicable requirements of *FASB Accounting Standards Codification 450, Contingencies* ([link](#)) (excerpts

of which can be found in the *ABA's Auditor's Letter Handbook*). Please specifically confirm to our auditors that our understanding is correct.

Response

Your response should include matters that existed as of December 31, 2021, and during the period from that date to the effective date of your response. Please specify the date of your response if it is other than the date of reply.

Please specifically identify the nature of, and reasons for, any limitations on your response.

Very truly yours,

Village at SouthGate Metropolitan District

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: 413 - VILLAGE AT SOUTHGATE METRO DIST

IN ADAMS COUNTY ON 8/24/2021

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 2021 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,270,860
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$7,873,950
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$7,873,950
5. NEW CONSTRUCTION: **	\$2,622,830
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.):	\$157.53

* 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 2021 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2021

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$82,434,823
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$36,683,140
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.

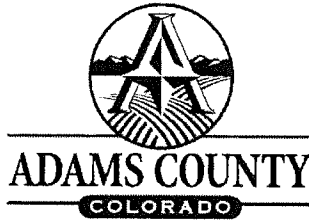
IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2021

Data Date: 8/24/2021

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

August 25, 2021

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

AUG 30 2021

To JUDY LEYSHON:

Enclosed is the 2021 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, 2021.

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.

2021 UPDATE: House Bill 21-1312, increase the exemption threshold on personal property accounts from \$7,900 to \$50,000. This means all personal property accounts that have a value of \$7,901 or more, and below \$50,000 that were previously taxable are now exempt. The state will be reimbursing the lost revenue to all taxing entities. The last line of this Certification of Valuation has not been filled in for the preliminary Certification, but the amount will be provided on the December re-Certification.

Sincerely,

A handwritten signature in black ink, appearing to read 'KM', with a long horizontal flourish extending to the right.

Ken Musso
Adams County Assessor
KM/rmb



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, 2022, including the estimate of comparative information for the year ending December 31, 2021, and the actual comparative information for the year ending December 31, 2020, 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, 2020 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, 2020. Dazio & Associates, PC audited the financial statements for the year ended December 31, 2020, whose report was dated May 6, 2021.

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
_____, 2021

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

	<u>ACTUAL 2020</u>	<u>ADOPTED BUDGET 2021</u>	<u>ADOPTED BUDGET 2022</u>
ASSESSED VALUATION			
Adams County Certified Assessed Value	<u>\$ 4,002,850</u>	<u>\$ 4,270,860</u>	<u>\$ 7,873,950</u>
MILL LEVY			
General - Operations Mill Levy	11.133	11.133	11.133
Debt Service - Senior Bonds Mill Levy	<u>44.531</u>	<u>44.531</u>	<u>44.531</u>
Total mill levy	<u>55.664</u>	<u>55.664</u>	<u>55.664</u>
PROPERTY TAXES			
General Fund	\$ 44,564	\$ 47,547	\$ 87,661
Debt Service - Senior Bonds Mill Levy	178,251	190,186	350,635
Levied property taxes	<u>222,815</u>	<u>237,733</u>	<u>438,296</u>
Adjustments to actual/rounding	5	-	-
Actual/budgeted property taxes	<u>\$ 222,820</u>	<u>\$ 237,733</u>	<u>\$ 438,296</u>
PROPERTY TAXES BY FUND			
General Fund	\$ 44,565	\$ 47,547	\$ 87,661
Debt Service	178,255	190,186	350,635
	<u>\$ 222,820</u>	<u>\$ 237,733</u>	<u>\$ 438,296</u>
MILL LEVY GALLAGHERIZATION			
General Operations Mill Levy Levied in Prior Year	11.056	11.133	11.133
Multiply by R.A.R. Prior to Change	7.20	7.15	7.15
Divide by New R.A.R. as Changed	<u>7.15</u>	<u>7.15</u>	<u>7.15</u>
Allowed Gallagherized Mill Levy in Current Year	<u>11.133</u>	<u>11.133</u>	<u>11.133</u>
Debt Service Mill Levy Levied in Prior Year	44.222	44.531	44.531
Multiply by R.A.R. Prior to Change	7.20	7.15	7.15
Divide by New R.A.R. as Changed	<u>7.15</u>	<u>7.15</u>	<u>7.15</u>
Allowed Gallagherized Mill Levy in Current Year	<u>44.531</u>	<u>44.531</u>	<u>44.531</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
2022 BUDGET AS ADOPTED
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2020	ACTUAL THROUGH 1/1-8/30/21	ESTIMATED FROM 9/1-12/31/21	ESTIMATED 2021	ADOPTED BUDGET 2021	ADOPTED BUDGET 2022
BEGINNING FUND BALANCE	\$ 5,066	\$ (775)	\$ (1,200)	\$ (775)	\$ 11,117	\$ 1,539
REVENUE						
Property tax	44,565	39,295	8,252	47,547	47,547	87,661
Specific ownership tax	3,270	2,453	1,227	3,680	3,398	6,785
Net investment income	8	47	24	71	-	-
Total revenue	47,843	41,795	9,503	51,298	50,945	94,446
OTHER FINANCING SOURCES						
Developer Advance	4,665	7,662	11,092	18,754	120,221	-
Total other financing sources	4,665	7,662	11,092	18,754	120,221	-
Total funds available	57,574	48,682	19,395	69,277	182,283	95,985
EXPENDITURES						
General Government						
Legal	21,971	19,845	9,923	29,768	20,000	30,000
Accounting	8,157	4,765	2,383	7,148	9,000	7,500
Audit	4,700	4,700	-	4,700	4,700	4,700
Management services	13,870	10,670	5,335	16,005	14,000	14,000
Engineering/consulting	3,465	6,152	-	6,152	-	5,000
Landscaping maintenance	-	-	-	-	30,921	-
Snow removal	-	-	-	-	15,000	-
Insurance	2,760	2,515	-	2,515	2,600	2,800
Office supplies	115	28	-	28	-	100
Postage	-	71	36	107	120	-
Election	1,508	-	-	-	-	5,000
Bank service charges	120	110	55	165	120	200
Dues and subscriptions	323	436	-	436	400	500
Utilities:						
Water	-	-	-	-	75,000	-
Electrical - Silo	538	-	-	-	2,000	-
Electrical - Barn	153	-	-	-	2,000	-
Treasurer's fees	669	590	124	714	713	1,315
Contingency	-	-	-	-	4,177	10,000
Total expenditures	58,349	49,882	17,856	67,738	180,751	81,115
Total expenditures and transfers out requiring appropriation	58,349	49,882	17,856	67,738	180,751	81,115
ENDING FUND BALANCE	\$ (775)	\$ (1,200)	\$ 1,539	\$ 1,539	\$ 1,532	\$ 14,870
EMERGENCY RESERVE	\$ 1,435			\$ 1,539	\$ 1,529	\$ 2,834

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
OPERATIONS AND MAINTENANCE FEE - SPECIAL REVENUE FUND
2022 BUDGET AS ADOPTED**

WITH 2020 ACTUAL AND 2021 ESTIMATED

For the Years Ended and Ending December 31,

	ACTUAL 2020	ACTUAL THROUGH 1/1-8/30/21	ESTIMATED FROM 9/1-12/31/21	ESTIMATED 2021	ADOPTED BUDGET 2021	AMENDED BUDGET 2021	ADOPTED BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ (5,771)	\$ -	\$ -	\$ -	\$ -
REVENUE							
Operations and maintenance fees	-	40,080	40,080	80,160	-	80,160	180,000
Silo and barn rental fees	-	-	200	200	-	200	1,000
Operations contribution	-	-	5,500	5,500	-	5,500	-
Total revenue	-	40,080	45,780	85,860	-	85,860	181,000
OTHER FINANCING SOURCES							
Developer advances	-	-	25,799	25,799	-	25,799	-
Total other financing sources	-	-	25,799	25,799	-	25,799	-
Total funds available	-	40,080	65,808	111,659	-	111,659	181,000
EXPENDITURES							
General Government							
Legal	-	2,372	500	2,872	-	3,000	1,500
Accounting	-	502	800	1,302	-	2,000	2,000
Management services	-	18,385	9,193	27,578	-	15,000	15,000
Landscape maintenance	-	7,730	15,461	23,191	-	23,191	32,500
Snow removal	-	-	15,000	15,000	-	15,000	15,000
Utilities:							
Water	-	16,067	24,456	40,523	-	42,000	55,000
Electrical - Silo	-	621	311	932	-	1,000	1,100
Electrical - Barn	-	174	87	261	-	300	350
Contingency	-	-	-	-	-	10,000	10,000
Total expenditures	-	45,851	65,808	111,659	-	111,491	132,450
Total expenditures and transfers out requiring appropriation	-	45,851	65,808	111,659	-	111,491	132,450
ENDING FUND BALANCE	\$ -	\$ (5,771)	\$ -	\$ -	\$ -	\$ 168	\$ 48,550

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
2022 BUDGET AS ADOPTED
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2020	ACTUAL THROUGH 1/1-8/30/21	ESTIMATED FROM 9/1-12/31/21	ESTIMATED 2021	ADOPTED BUDGET 2021	AMENDED BUDGET 2021	ADOPTED BUDGET 2022
BEGINNING FUND BALANCE	\$ 662,640	\$ 770,222	\$ 905,556	\$ 770,222	\$ 835,052	\$ 835,052	\$ 753,476
REVENUE							
Property tax	178,255	157,176	33,010	190,186	190,186	190,186	350,635
Specific ownership tax	13,082	9,810	4,905	14,715	13,593	14,000	27,138
Facility Fees	254,000	93,000	27,000	120,000	54,000	120,000	-
Interest income	5,308	509	255	764	7,000	800	800
Total revenue	450,645	260,495	65,170	325,665	264,779	324,986	378,573
OTHER FINANCING SOURCES							
Transfer from Capital Projects Fund	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Total funds available	1,113,285	1,030,717	970,726	1,095,887	1,099,831	1,160,038	1,132,049
EXPENDITURES							
Bank service charges	521	81	36	117	800	200	800
Treasurer's fees	2,674	2,361	495	2,856	2,853	2,853	5,260
Interest 2018A Senior Bonds	233,438	116,719	116,719	233,438	233,438	233,438	233,438
Interest 2018B Subordinate Bonds	100,430	-	100,000	100,000	25,000	100,000	105,000
Paying agent fees	6,000	6,000	-	6,000	6,000	6,000	6,000
Contingency	-	-	-	-	4,728	20,000	5,000
Total expenditures	343,063	125,161	217,250	342,411	272,819	362,491	355,498
OTHER FINANCING USES							
Transfer to General Fund	-	-	-	-	-	-	-
Transfer to Capital Projects Fund	-	-	-	-	-	-	-
Payment to Refunding Escrow	-	-	-	-	-	-	-
Total other financing uses	-	-	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	343,063	125,161	217,250	342,411	272,819	362,491	355,498
ENDING FUND BALANCE	\$ 770,222	\$ 905,556	\$ 753,476	\$ 753,476	\$ 827,012	\$ 797,547	\$ 776,551
REQUIRED RESERVE	\$ 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
2022 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 2022 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 and Subordinate Limited Tax General Obligation Bonds Series 2018B 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 8% 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. For 2022 the District does not anticipate collecting any facility fees as the final facility fees were received in 2021.

Operations and Maintenance Fees

Effective June 1, 2021, the District imposed a monthly maintenance fee of \$60 per single family home and a monthly maintenance fee of \$30 per builder lot whether a home has been constructed or not, until such time the lot /home has been conveyed to a third-party purchaser.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Investment Income

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

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 and Maintenance Expenditures

The District is responsible for the water service charges related to certain open space parcels. The District is also responsible for electrical services for a barn and silo, landscape maintenance, and snow removal. The 2022 expenses are based on 2021 costs incurred by the District.

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 2022, 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		\$764,000		Annual Total
	Limited Tax General Obligation Bonds Series 2018A		Subordinate Limited Tax General Obligation Bonds Series 2018B		
	Bearing Interest at 5.625%		Bearing Interest at 7.750%		
	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.

RESOLUTION NO. 2021 - 10 - __

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VILLAGES AT SOUTHGATE METROPOLITAN DISTRICT
TO ADOPT THE 2022 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Villages at Southgate Metropolitan District (“District”) has appointed the District Accountant to prepare and submit a proposed 2022 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2021, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place at the office of the District Manager, interested electors of the District were given the opportunity to file or register any objections to the proposed budget, and a public hearing was held on October 27, 2021. 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.

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or were planned to be expended from reserve fund balances so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Villages at Southgate Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Villages at Southgate Metropolitan District for the 2022 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and filed in accordance with applicable law, and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 27th day of October, 2021.

THE VILLAGES AT SOUTHGATE
METROPOLITAN DISTRICT, a quasi-
municipal corporation and political
subdivision of the State of Colorado

President

ATTEST:

Secretary

(SEAL)

EXHIBIT A
(Budget)

CERTIFICATION:

I, _____, hereby certify that I am the duly appointed Secretary of the Villages at Southgate Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2022, duly adopted at a meeting of the Board of Directors the Villages at Southgate Metropolitan District: held on October 27, 2021.

By: _____
Secretary

RESOLUTION NO. 2021 - 10 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Village at Southgate Metropolitan District (“District”) has adopted the 2022 annual budget in accordance with the Local Government Budget Law on October 27, 2021; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2022 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Village at Southgate

1. That for the purposes of meeting all general fund expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 27th day of October, 2021.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

SECOND AMENDED AND RESTATED RESOLUTION OF THE
BOARD OF DIRECTORS
OF THE
VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
IMPOSING FEES UPON PROPERTY WITHIN THE DISTRICT
(2021)

WHEREAS, the Village at SouthGate Metropolitan District, City of Brighton, Adams County, Colorado (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado and was duly organized pursuant to §§ 32-1-101, et seq., C.R.S., as amended; and

WHEREAS, the Board of Directors of the District (the "Board") is the governing body of the District; and

WHEREAS, the District was created for the purpose of constructing, acquiring, financing and maintaining public improvements including, without limitation, streets and safety controls, landscaping, water, sewer, storm drainage and park and recreation improvements (collectively, the "Improvements"); and

WHEREAS, the Improvements are intended to serve the Village at SouthGate development located within the boundaries of the District (the "Development"); and

WHEREAS, pursuant to § 32-1-1001(1)G(I), C.R.S., as amended, the Board is empowered to fix and, from time to time, to increase or decrease fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the District; and

WHEREAS, pursuant to § 32-1-1001(1)G(I), C.R.S., as amended, until paid, all such fees, rates, tolls, penalties or charges shall constitute a perpetual lien on and against the property served and any such lien may be foreclosed in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens; and

WHEREAS, the Board previously adopted its Resolution Imposing Fees upon Property Within the District, dated April 20, 2016 and recorded in the official records of the Adams County Clerk and Recorder on May 5, 2016 at Reception No. 2016000034638 as amended by the First Amended and Restated Resolution in 2018 and on March 22, 2018 at Reception No. 2018000023494 (the "Prior Resolutions"); and

WHEREAS, in May 2021 and by separate resolution, the Board adopted and imposed Maintenance Fees on the residential property within the District; and

WHEREAS, the Board wishes amend, restate and replace the Prior Resolutions in their entirety to add an Account Transfer Fee; and

WHEREAS, portions of the fees, rates, tolls, penalties or charges imposed by the District may be used to pay the costs set forth in intergovernmental agreements by and between the District and the State of Colorado, counties, cities, towns other political subdivisions of the State of Colorado for improvements benefiting the District, its residents and taxpayers; and

WHEREAS, pursuant to that Intergovernmental Agreement Regarding the Reimbursement of Costs for the South Brighton Infrastructure Improvements entered into between and among the District, the City of Brighton, Colorado (the "City") and PFG Acquisitions, LLC, dated April 19, 2016 (the "IGA"), there shall be due and payable to the City upon the issuance of a building permit for each lot located within the Development a water tap fee in the amount of One Hundred and Fifty-One Dollars (\$151.00) for each water single family residential equivalent ("SFRE") connection required for the Development (a "Supplemental SBI Water Tap Fee"); and

WHEREAS, pursuant to the IGA, there shall be due and payable to the City upon the issuance of a building permit for each lot located within the Development a wastewater tap fee in the amount of One Hundred and Forty-Nine Dollars (\$149.00) for each wastewater SFRE connection required for the Development (a "Supplemental SBI Wastewater Tap Fee"); and

WHEREAS, collectively, the Supplemental SBI Water Tap Fee and the Supplemental SBI Wastewater Tap Fee shall be referred to herein as the "Supplemental SBI Tap Fees;"

WHEREAS, the Supplemental SBI Tap Fees are intended to reimburse the City for a portion of the costs associated with providing regional water and wastewater infrastructure for the benefit of the Development, and, pursuant to the IGA, the City shall collect and attribute such Supplemental SBI Tap Fees upon the issuance of a building permit for each lot located within the Development; and

WHEREAS, the Improvements to be provided by the District will benefit the District, its residents and taxpayers; and

WHEREAS, in order to defray the costs of the Improvements and other services provided by the District, the District elects to adopt this Second Amended and Restated Resolution to establish fees for the Improvements and the services provided by the District.

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

1. FACILITY FEES. There shall be due and payable to the District prior to the issuance of a building permit by the City for each residential single-family attached and detached lot or unit located within the Development and/or the

District, unless otherwise previously paid to the District and attributable to one or more specified lot(s) or units, as applicable, a Facility Fee in the amount of Two Thousand, Five Hundred Dollars (\$2,500.00) (the "SF Facility Fee"). Further, there shall be due and payable to the District prior to the issuance of a building permit by the City for each residential multi-family unit located within the Development and/or the District, unless otherwise previously paid to the District and attributable to one or more specified unit(s), a Facility Fee in the amount of One Thousand, Five Hundred Dollars (\$1,500.00) (the "MF Facility Fee"). Collectively, the SF Facility Fee and the MF Facility Fee shall be referred to herein as the "Facility Fees," and individually as a "Facility Fee." The property upon which the Facility Fees shall be imposed is as described in Exhibit A, as attached hereto and incorporated herein. The effective date of the imposition of the Facility Fees shall be May 1, 2016. The District may impose such penalties for non-compliance herewith as may be permitted by applicable law. Without limiting the foregoing, a late charge on any past-due amounts shall accrue from the date due at a rate of Fifteen Dollars (\$15.00) per day or up to five percent (5%) per month, not-to-exceed twenty-five percent (25%) of the amount of the applicable Facility Fee, whichever is greater. Nothing herein shall prevent any party from prepaying the applicable Facility Fee(s) at any time with the consent of the District or pursuant to separate contract.

2. TAP FEES. There shall be due and payable to the District upon the issuance of a building permit for each lot located within the Development a water tap fee in the amount of One Hundred and Fifty-One Dollars (\$151.00) for each water SFRE connection required for the Development (a "Water Tap Fee"). Further, there shall be due and payable to the District upon the issuance of a building permit for each lot located within the Development a wastewater tap fee in the amount of One Hundred and Forty-Nine Dollars (\$149.00) for each wastewater SFRE connection required for the Development (a "Wastewater Tap Fee"). Collectively, the Water Tap Fee and the Wastewater Tap Fee shall be referred to as the "Tap Fees," and shall be individually referred to as a "Tap Fee." The property upon which the Tap Fees shall be imposed is as described in Exhibit A, as attached hereto and incorporated herein. The effective date of the imposition of the Tap Fees shall be May 1, 2016. The District may impose such penalties for non-compliance herewith as may be permitted by applicable law. Without limiting the foregoing, a late charge on any past-due amounts shall accrue from the date due at a rate of Fifteen Dollars (\$15.00) per day or up to five percent (5%) per month, not-to-exceed twenty-five percent (25%) of the amount of the applicable Tap Fee, whichever is greater. Nothing herein shall prevent any party from prepaying the Tap Fees at any time with the consent of the District or pursuant to separate contract. Notwithstanding the foregoing, to the extent that either or both of the Supplemental SBI Water Tap Fee and/or Supplemental SBI Wastewater Tap Fee attributable to one or more particularly-identified lot(s) or unit(s) are otherwise collected by the City upon the issuance of a building permit for such particularly-identified lot(s) or unit(s), the District shall hereby waive the collection of such corresponding Water Tap Fee and/or Wastewater Tap Fee attributable to such particularly-identified lot(s) or unit(s). Without limiting the

foregoing, the collection of Supplemental SBI Water Tap Fee(s) for one or more particularly-identified lot(s) or unit(s) by the City shall correspondingly result in the District automatically waiving the collection of the Water Tap Fee(s) attributable to the same particularly-identified lot(s) or unit(s), and the collection of Supplemental SBI Wastewater Tap Fee(s) for one or more particularly-identified lot(s) or unit(s) by the City shall correspondingly result in the District automatically waiving the collection of the Wastewater Tap Fee(s) attributable to the same particularly-identified lot(s) or unit(s).

4. ACCOUNT TRANSFER FEE. There shall be due and payable to the District upon the transfer of ownership of any residential or commercial property owner to a new property owner, a fee in the amount of Seventy-Five Dollars (\$75.00) to defray costs incurred by the District to update and transfer the District's account records from one party to another. The fee is imposed upon the property and not upon the account holder.

3. MODIFICATION AND FUTURE EVENTS. The Facility Fees are based upon projected budgetary requirements of the District using various assumptions regarding the cost of the Improvements, bond issues and interest rates therefor, together with operation and maintenance expenses. Actual costs may differ from the projections and the District may, in its sole discretion, determine to modify, increase or decrease the Facility Fees and Account Transfer Fees imposed hereunder based upon actual circumstances.

4. NOTIFICATION AND COLLECTION. The appropriate officers, agents and/or employees of the District are hereby authorized to establish a system for notification of adoption of this Resolution and collection of amounts due hereunder. Such notification shall provide for the recording of an appropriate notice of the Facility Fees, Tap Fees and Account Transfer Fees (collectively, the "Fees") upon the property to be charged.

5. STATUS OF LIEN AND FORECLOSURE. As of the date of this Resolution and pursuant to § 32-1-1001(1)(j)(I), C.R.S., as may be amended, the Fees established herein shall, until paid, constitute a perpetual lien against the property so charged. In the event of non-payment of the Fees, as appropriate, the District may foreclose upon the lien in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanics' liens, which lien amount may include interest and any costs of collection of the Fees, including, without limitation, reasonable attorney's fees and costs. Upon payment of Fees, and upon request of the party making the payment, the property or properties subject to a satisfied Facility Fee(s) or Tap Fee(s) shall be released from the lien thereof by the recordation of a form of Release of Lien by the District.

6. RECORDING. This Resolution, and any amendments thereto, shall be recorded in the official records of the Clerk and Recorder in and for the County of Adams, State of Colorado; however, any failure to record this Resolution, or

any amendments thereto shall in no way affect the validity of the Resolution of the District's ability to enforce the terms and provisions contained herein.

7. RESTATEMENT. This Second Amended and Restated Resolution shall completely amend, restate and replace the Prior Resolutions in their entirety.

8. EFFECTIVE DATE. The terms and conditions of this Second Amended and Restated Resolution shall be effective as of December 1, 2021.

ADOPTED AND APPROVED this day of
,2021.

VILLAGE AT SOUTHGATE METROPOLITAN
DISTRICT

Kevin Amolsch, President

ATTEST:

, Secretary

EXHIBIT A

The Property

The West 1/2 of the Northeast ¼ of Section 1, Township 2 south, Range 67 West, of the 6th P.M., County of Adams, State of Colorado, except the right of way for 120th Avenue as described in Road Book 2 at Page 593.

Parcel described above contains a total of 79.811 acres, more or less.

**VILLAGE AT SOUTHGATE METROPOLITAN
DISTRICT**

**ANNUAL ADMINISTRATIVE RESOLUTION
(Effective January 1, 2022)**

WHEREAS, the District was organized under the provisions of Title 32, Colorado Revised Statutes, as a special district and is located entirely within the boundaries of City of Brighton, County of Adams, Colorado (the “Approving Jurisdiction”); and

WHEREAS, the Board of Directors of the District (the “Board”) has a duty to perform certain obligations to assure the efficient operation of the District; and

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

WHEREAS, the Directors of a District 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., every Board shall elect officers of the District; and

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

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

1. The Board designates Brighton Standard Blade as the 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 therein in accordance with applicable statutes.
2. The Board determines that Directors shall not receive compensation for services as Directors, in accordance with §§ 32-1-902(3)(a)(I) & (II), C.R.S.
3. The Board hereby elects the following officers for the District:

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

Travis Speer

Assistant Secretary

4. 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 a District approved by each Board, pursuant to § 24-6-402(2)(c), C.R.S.:

Northwest Corner of the District.

5. The Board determines to hold regular meetings on

Fourth Wednesday of October at 11:00 A.M.,

by video conference or telephone conference, the notice of which shall include the method or procedure, including the conference number, link, passcode or other necessary information to allow member of the public to attend.

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

ADOPTED AND APPROVED ON October 27, 2021, to become effective as of January 1, 2022.

VILLAGE AT SOUTHGATE
METROPOLITAN DISTRICT

Kevin Amolsch, President

ATTEST:

Jared Seidenberg, Secretary/Treasurer

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT

**COMPLIANCE RESOLUTION
(Effective as of January 1, 2022)**

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

At a meeting of the Board of Directors of Village at Southgate Metropolitan District, (the “District”), City of Brighton, County of Adams, Colorado, held:

Wednesday, October 27, 2021, at 11:00 AM at
by Zoom at
<https://us02web.zoom.us/j/84301594486?pwd=SjAxb2hpYXM4TEljd3drYUhrQjIyZz09>
Meeting ID: 843 0159 4486, Passcode: 754678, Dial In: 1-253-215-8782, One tap
Mobile: +12532158782,,84301594486# US (Tacoma)

Also present was Dianne Miller, Sonja Steele and Rhonda Bilek of Miller & Associates Law Offices, LLC, Special District Management Specialists.

When the following proceedings, were had and done, to wit:

It was moved by Director _____ to adopt the following Resolution:

WHEREAS, the District was organized under the provisions of Title 32, Colorado Revised Statutes, as a special district and is located entirely within the boundaries of City of Brighton, County of Adams (the “Approving Jurisdiction”); and

WHEREAS, the Board of Directors of the District (the “Board”) has a duty to perform certain obligations to assure the efficient operation of the District; and

WHEREAS, § 32-1-306, C.R.S., requires the District to file a current, accurate map of its boundaries with the Division of Local Government (the “Division”), the County Assessor and County Clerk and Recorder on or before January 1 of each year; and

WHEREAS, § 32-1-104(2), C.R.S., requires that a 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 every 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 every 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 every 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, every 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)(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 (“Approving Jurisdiction”); and

WHEREAS, pursuant to § 32-1-202(2)(b), C.R.S., every Board shall notify the Approving Jurisdiction of any alteration or revision of the proposed schedule of debt issuance set forth in the financial plan included in that 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, 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 every 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., requires every District to notify the Division of the results of any elections held by that 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 Approving Jurisdiction within forty-five (45) days after the election; and

WHEREAS, the Directors of each Board 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, §§ 32-1-1604, C.R.S., requires every 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 Approving Jurisdiction or the governing body of the municipality that adopted a resolution of approval of a District may require that District to file an application for quinquennial finding of reasonable diligence; and

WHEREAS, pursuant to § 32-1-207(3)(c), C.R.S., every District, if requested, may be required to file an annual report with the Approving Jurisdiction, 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, a 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), a District is required to record a public disclosure document and map of the boundaries of that 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, a District has the power, in relation to the administration of the affairs of that 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 Approving Jurisdiction, 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, manager, or legal counsel to certify the mill levies with the County 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 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 an audit of the financial statements and submit such draft audit to the Board before June 30; further, the Board directs that the auditor to file the final audit with the State Auditor by July 31. If a 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 a 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 Approving Jurisdiction; 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 Approving Jurisdiction.
9. The Board directs the District's manager or legal counsel to include in any annual report to be submitted to the Approving Jurisdiction, any alteration of or revisions to the proposed schedule of debt issuance set forth in a District's service plan, pursuant to § 32-1-202(2)(b), C.R.S. If 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 District hereby determines that each present and future member of the Board shall complete conflict disclosure forms and direct 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 each Board.
12. Dianne Miller, 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 2022 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).
13. 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 each 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 2022, and in each fiscal year thereafter until such polling place is changed by duly adopted resolution of a 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.

14. 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 County within forty-five (45) days after the election.
15. 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.
16. The Board directs the District's manager or legal counsel to prepare and file with the Approving Jurisdiction, if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.
17. The Board directs the District's manager or legal counsel to prepare and file, if requested, the special district annual report.
18. The Board requests that the District's manager or legal counsel 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 the proposals for insurance and will determine whether to approve and accept the insurance proposals.
19. 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).
20. 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 of the Districts.
21. 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.

22. This Compliance Resolution shall become effective as of January 1, 2022, and shall remain in effect until or unless modified, amended or rescinded. This Compliance Resolution may be amended in whole or in part.

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

ADOPTED AND APPROVED ON OCTOBER 27, 2021.

VILLAGE AT SOUTHGATE METROPOLITAN
DISTRICT

Kevin Amolsch, President

ATTEST:

Jared Seidenberg, Secretary/Treasurer

CERTIFICATION

I, Jared Seidenberg, Secretary/Treasurer of the Village at SouthGate Metropolitan District, do hereby certify that the annexed and foregoing resolution is a true copy from the records of the proceedings of the Board of said District on file with Miller & Associates Law Offices, LLC, general counsel to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District
on October 27, 2021.

Jared Seidenberg, Secretary

RESOLUTION OF THE BOARD OF DIRECTORS OF
VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
CALLING AN ELECTION FOR MAY 3, 2022

WHEREAS, VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT (the “District”) was created pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, elections may be held pursuant to the Special District Act, §§ 32-1-801, *et seq.*, C.R.S. (the “Act”), and the Uniform Election Code of 1992, §§ 1-1-101, *et seq.*, and 1-13.5, 101, *et seq.*, C.R.S. (collectively, the “Code”), for the purpose of: (1) electing members of the Board of Directors of the District (the “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, the terms of office of Directors Kevin Amolsch, Jared Seidenberg and Ronald Meier are due to expire after their successors are elected at the next regular election for the District, which is scheduled to be held on May 3, 2022 (the “Election”).

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

1. The Election of the eligible electors of the District shall be held on May 3, 2022, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to the Act and the Code and any other applicable laws. The Election shall be conducted as a mail-in ballot election in accordance with all relevant provisions of the Act and the Code. All mail ballots shall be returned to the office of the Designated Election Official (as defined below in Section 2). Eligible electors who have registered as “Permanent Mail-In Voters” shall receive mail ballots.

2. Dianne Miller, of the law firm of Miller & Associates Law Offices, LLC, is hereby appointed as the “Designated Election Official” of the Board for the Election. The Board hereby grants all powers and authority for the proper conduct of the Election required pursuant to the Act and the Code to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board and cancellation, if applicable, of the Election.

3. If the only matter before the electors is the election of directors of the District and if, by 3:00 P.M. on the 63rd day before the Election, which date is March 1, 2022, or any time thereafter, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent to be a write-in candidate, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with C.R.S. § 1-13.5-513(6), as amended.

4. In the event that legislation is passed and enacted into law that impacts or changes the methods or procedures for elections conducted by the District, the Board hereby directs its

legal counsel and the Designated Election Official, without any further action taken by the Board unless otherwise required by applicable law, to take all actions necessary and appropriate to conduct the Election in compliance with any applicable laws including, but not limited to, coordinating the Election with any political subdivision with appropriate jurisdiction over the District and adjusting any Election-related deadlines.

5. If any part or provision of this Resolution is adjudicated to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provision or provisions of this Resolution, it being the intent of the Board that the various provisions are severable.

6. All acts, orders and resolutions, or parts thereof, of the Board that are inconsistent or in conflict with this Resolution are hereby repealed to extent only of such inconsistency or conflict.

APPROVED AND ADOPTED ON OCTOBER 27, 2021, to be immediately effective.

VILLAGE AT SOUTHGATE METROPOLITAN
DISTRICT

Kevin Amolsch, President

ATTEST:

Jared Seidenberg, Treasurer/Secretary



MEMORANDUM

UPDATE ON LEGISLATION

- Notice of district elections for **metropolitan** districts must be made by
 - Emailing the notice to every active registered elector who has provided an email to the Clerk and Recorder
 - Mailing the notice to every active registered elector who has not provided an email
 - Posting the notice on the District's website or publishing the notice in the newspaper
- Every **metropolitan** district must create and maintain an official website by January 1, 2023 OR within one year of the date of the Order and Decree (except inactive districts and districts with no power to impose property taxes)
- Every special district must file an annual report regardless of service plan provisions to the contrary
- No metropolitan district can utilize eminent domain other than within the jurisdiction that approved the district unless a resolution of the municipality or county allows the exercise
- Allows meetings to be held by video or telephone conference so long as members of the public can attend the meeting
- The assessment rate for all residential real property except multi-family is temporarily reduced from 7.15% to 6.95% for the next 2 property tax years.
 - Creates a new subclass of residential real property: multi-family residential and reduces the assessment rate to 6.8% for the next 2 property years
 - Creates new subclasses of nonresidential property: agricultural, lodging and renewable energy and reduces the assessment rate to 26.4% for the next 2 property tax years except that lodging remains at 29%
- Allows the creation of director district through adoption of a resolution by the Board
- Allows email communications between board members so long as the emails do not relate to the merits of pending legislation or other public business
- For districts created AFTER July 1, 2021, all tax revenues paid to the metro district by an oil and gas company must be tendered to the State
- Each owner of real property (i.e., not the metropolitan district) must provide extensive disclosure regarding future property taxes and mill levies for all newly constructed residences within a metropolitan district after January 1, 2022.



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303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: August 31, 2021

RE: Notice of 2022 Rate Increase

A handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by the CPI (5.28%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.