

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2025**



**SCHILLING & COMPANY, INC.**

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### **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, 2025, including the estimate of comparative information for the year ending December 31, 2024, and the actual comparative information for the year ending December 31, 2023, 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, 2023 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, 2023. Dazzo & Associates, PC audited the financial statements for the year ended December 31, 2023, whose report was dated August 1, 2024.

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.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
December 12, 2024

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

	<b>ACTUAL 2023</b>	<b>ESTIMATED 2024</b>	<b>ADOPTED BUDGET 2025</b>
<b>ASSESSED VALUATION</b>			
Adams County			
Certified Assessed Value	\$ 8,764,550	\$ 10,143,940	\$ 10,139,840
<b>MILL LEVY</b>			
General - Operations Mill Levy	11.309	11.803	11.802
Debt Service - Senior Bonds Mill Levy	45.236	47.212	47.210
Total mill levy	56.545	59.015	59.012
<b>PROPERTY TAXES</b>			
General Fund	\$ 99,118	\$ 119,729	\$ 119,670
Debt Service - Senior Bonds Mill Levy	396,473	478,916	478,702
Levied property taxes	495,591	598,645	598,372
Adjustments to actual/rounding	(1,395)	3,574	-
Actual/budgeted property taxes	\$ 494,196	\$ 602,219	\$ 598,372
<b>BUDGETED OR ACTUAL PROPERTY TAXES BY FUND</b>			
General Fund	\$ 98,839	\$ 119,729	\$ 119,670
Debt Service	395,357	482,490	478,702
	\$ 494,196	\$ 602,219	\$ 598,372

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  
2025 BUDGET AS ADOPTED  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

	<u>ACTUAL 2023</u>	<u>ESTIMATED 2024</u>	<u>ADOPTED BUDGET 2025</u>
<b>BEGINNING FUND BALANCE</b>	\$ 19,663	\$ 43,264	\$ 64,753
<b>REVENUE</b>			
Property tax	98,839	119,729	119,670
Senate bill backfill	-	894	-
Specific ownership tax	6,739	5,805	4,787
Net investment income	6	6	100
Total revenue	<u>105,584</u>	<u>126,434</u>	<u>124,557</u>
Total funds available	<u>125,247</u>	<u>169,698</u>	<u>189,310</u>
<b>EXPENDITURES</b>			
General Government			
Legal	22,624	19,186	30,000
Accounting	9,126	9,116	12,000
Audit	4,900	5,400	5,800
Management services	19,358	26,397	20,000
Engineering/consulting	18,046	39,891	30,000
Insurance	2,821	2,671	3,000
Office supplies and postage	111	-	-
Election	3,069	-	8,000
Bank service charges	120	135	200
Dues and subscriptions	325	340	500
Treasurer's fees	1,483	1,809	1,795
Contingency	-	-	20,000
Total expenditures	<u>81,983</u>	<u>104,945</u>	<u>131,295</u>
Total expenditures requiring appropriation	<u>81,983</u>	<u>104,945</u>	<u>131,295</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 43,264</u>	<u>\$ 64,753</u>	<u>\$ 58,015</u>
<b>EMERGENCY RESERVE</b>	<u>\$ 3,168</u>	<u>\$ 3,794</u>	<u>\$ 3,737</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  
OPERATIONS AND MAINTENANCE FEE - SPECIAL REVENUE FUND  
2025 BUDGET AS ADOPTED  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

	<u>ACTUAL 2023</u>	<u>ESTIMATED 2024</u>	<u>ADOPTED BUDGET 2025</u>
<b>BEGINNING FUND BALANCE</b>	\$ 73,352	\$ 57,806	\$ (20,197)
<b>REVENUE</b>			
Operations and maintenance fees	213,135	208,100	238,464
Late fees and penalties	-	6,368	7,000
Silo and barn rental fees	1,200	1,200	1,500
Property conveyance fee	-	-	2,250
Total revenue	<u>214,335</u>	<u>215,668</u>	<u>249,214</u>
Total funds available	<u>287,687</u>	<u>273,474</u>	<u>229,017</u>
<b>EXPENDITURES</b>			
General Government			
Legal	594	1,179	2,000
Management services:			
Landscape, snow removal, other	25,826	37,770	29,000
Barn rentals	-	-	6,000
Landscape maintenance:			
Monthly contract	46,696	52,800	56,000
Irrigation repairs	19,149	15,983	18,000
Special projects	19,359	31,492	21,500
Landscape improvements	42,800	69,300	-
Snow removal	7,382	6,335	7,000
Utilities:			
Water	64,474	77,208	80,000
Electrical - Silo	721	1,265	1,300
Electrical - Barn	306	339	400
Capital outlay - non-capitalized	2,574	-	-
Total expenditures	<u>229,881</u>	<u>293,671</u>	<u>221,200</u>
Total expenditures requiring appropriation	<u>229,881</u>	<u>293,671</u>	<u>221,200</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 57,806</u>	<u>\$ (20,197)</u>	<u>\$ 7,817</u>
<b>EMERGENCY RESERVE</b>	<u>\$ 6,430</u>	<u>\$ 6,470</u>	<u>\$ 7,476</u>

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

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2025 BUDGET AS ADOPTED  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

	<u>ACTUAL 2023</u>	<u>ESTIMATED 2024</u>	<u>ADOPTED BUDGET 2025</u>
<b>BEGINNING FUND BALANCE</b>	\$ 782,485	\$ 776,860	\$ 768,714
<b>REVENUE</b>			
Property tax	395,357	482,490	478,702
Specific ownership tax	26,956	23,222	19,148
Interest income	47,795	49,718	45,000
Total revenue	<u>470,108</u>	<u>555,430</u>	<u>542,850</u>
Total funds available	<u>1,252,593</u>	<u>1,332,290</u>	<u>1,311,564</u>
<b>EXPENDITURES</b>			
Bank service charges	2,247	2,112	2,200
Treasurer's fees	5,931	7,237	7,181
2018A Senior Bonds:			
Principal	35,000	45,000	50,000
Interest	233,438	231,469	228,937
2018B Subordinate Bonds:			
Principal	136,000	225,000	200,000
Interest	57,117	46,758	29,140
Paying agent fees	6,000	6,000	6,000
Contingency	-	-	10,000
Total expenditures	<u>475,733</u>	<u>563,576</u>	<u>533,458</u>
Total expenditures requiring appropriation	<u>475,733</u>	<u>563,576</u>	<u>533,458</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 776,860</u>	<u>\$ 768,714</u>	<u>\$ 778,106</u>
<b>REQUIRED RESERVE</b>	<u>\$ 343,906</u>	<u>\$ 343,906</u>	<u>\$ 343,906</u>
<b>MAXIMUM SURPLUS AMOUNT</b>	<u>\$ 415,000</u>	<u>\$ 415,000</u>	<u>\$ 415,000</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  
2025 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 2025 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 as adjusted for changes in the assessment rates. The base mill levy rate is 50.000 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 40.000 mills and the Operations Mill Levy of 10.000 in the General Fund. The mill levies are subject to and have been adjusted for changes in the ratio of actual valuation to assessed valuation.

*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 4% of the property taxes collected.

*Operations and Maintenance Fees*

Effective June 1, 2021, the District imposed a monthly maintenance fee of \$60 per single family home, which is billed quarterly in the amount of \$180 per single family home. For 2025, the District has adjusted the quarterly rate by CPI, which increased the fee to \$207 per quarter.

*Net Investment Income*

Net investment income earned on the District's available funds has been estimated based on net investment income from the prior year.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**EXPENDITURES**

*Administrative Expenditures*

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

*Utilities 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 2025 expenses are based on 2024 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 8 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 2025, 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	Principal (2)	Interest (2)	
2025	\$ 50,000.00	\$ 228,937.50	\$ 200,000.00	\$ 29,140.00	\$ 508,077.50
2026	55,000.00	226,125.00	-	13,640.00	294,765.00
2027	60,000.00	223,031.26	20,000.00	13,640.00	316,671.26
2028	70,000.00	219,656.26	32,000.00	12,090.00	333,746.26
2029	75,000.00	215,718.76	34,000.00	9,610.00	334,328.76
2030	85,000.00	211,500.00	38,000.00	6,975.00	341,475.00
2031	90,000.00	206,718.76	41,000.00	4,030.00	341,748.76
2032	100,000.00	201,656.26	11,000.00	853.00	313,509.26
2033	105,000.00	196,031.26	-	-	301,031.26
2034	115,000.00	190,125.00	-	-	305,125.00
2035	125,000.00	183,656.26	-	-	308,656.26
2036	135,000.00	176,625.00	-	-	311,625.00
2037	145,000.00	169,031.26	-	-	314,031.26
2038	160,000.00	160,875.00	-	-	320,875.00
2039	165,000.00	151,875.00	-	-	316,875.00
2040	185,000.00	142,593.76	-	-	327,593.76
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>\$ 4,070,000.00</u>	<u>\$ 3,806,437.62</u>	<u>\$ 376,000.00</u>	<u>\$ 89,978.00</u>	<u>\$ 8,342,415.62</u>

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

(2) - Includes the estimated 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 estimated principal and interest payments taking into account payments made in the years 2018 through 2024 and the estimated payments shown on Exhibit III of the Financial Forecast as included as Appendix C to the Limited Offering Memorandum dated May 3, 2019 related to the issuance of the bonds. These payments, however, are only estimated 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 from pledged revenues.

This information is an integral part of the accompanying budget.