

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2026**



**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

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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, 2026, including the estimate of comparative information for the year ending December 31, 2025, and the actual comparative information for the year ending December 31, 2024, 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, 2024 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, 2024. Dazzio & Associates, PC audited the financial statements for the year ended December 31, 2024, whose report was dated July 14, 2025.

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, 2025

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

|  | <b>ACTUAL<br/>2025</b> | <b>ESTIMATED<br/>2025</b> | <b>ADOPTED<br/>BUDGET<br/>2026</b> |
|--|------------------------|---------------------------|------------------------------------|
| <b>ASSESSED VALUATION</b>                            |                        |                           |                                    |
| Certified Assessed Value                             | \$ 10,143,940          | \$ 10,139,840             | \$ 9,953,500                       |
| <b>MILL LEVY</b>                                     |                        |                           |                                    |
| General - Operations Mill Levy                       | 11.803                 | 11.802                    | 12.610                             |
| Debt Service - Senior Bonds Mill Levy                | 47.212                 | 47.210                    | 50.441                             |
| Total mill levy                                      | 59.015                 | 59.012                    | 63.051                             |
| <b>PROPERTY TAXES</b>                                |                        |                           |                                    |
| General Fund   | \$ 119,729             | \$ 119,670                | \$ 125,514                         |
| Debt Service - Senior Bonds Mill Levy                | 478,916                | 478,702                   | 502,064                            |
| Levied property taxes                                | 598,645                | 598,372                   | 627,578                            |
| Adjustments to actual/rounding                       | 4,371                  | 64                        | -                                  |
| Actual/budgeted property taxes                       | \$ 603,016             | \$ 598,436                | \$ 627,578                         |
| <b>BUDGETED OR ACTUAL<br/>PROPERTY TAXES BY FUND</b> |                        |                           |                                    |
| General Fund   | \$ 120,603             | \$ 119,670                | \$ 125,514                         |
| Debt Service   | 482,413                | 478,766                   | 502,064                            |
|  | \$ 603,016             | \$ 598,436                | \$ 627,578                         |

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  
2026 BUDGET AS ADOPTED  
WITH 2024 ACTUAL AND 2025 ESTIMATED  
For the Years Ended and Ending December 31,**

|   | <b>ACTUAL<br/>2024</b> | <b>ESTIMATED<br/>2025</b> | <b>ADOPTED<br/>BUDGET<br/>2026</b> |
|---|------------------------|---------------------------|------------------------------------|
| <b>BEGINNING FUND BALANCE</b>                   | \$ 43,264              | \$ 84,598                 | \$ 81,423                          |
| <b>REVENUE</b>                                  |                        |                           |                                    |
| Property tax                                    | 120,603                | 119,670                   | 125,514                            |
| Specific ownership tax                          | 5,908                  | 5,952                     | 5,021                              |
| Net investment income                           | 4                      | 12                        | 100                                |
| Total revenue                                   | <u>126,515</u>         | <u>125,634</u>            | <u>130,635</u>                     |
| <b>EXPENDITURES</b>                             |                        |                           |                                    |
| General Government                              |                        |                           |                                    |
| Legal   | 16,211                 | 21,490                    | 25,000                             |
| Accounting                                      | 9,077                  | 10,745                    | 12,000                             |
| Audit   | 5,400                  | 5,600                     | 5,800                              |
| Management services                             | 20,333                 | 16,056                    | 20,000                             |
| Engineering/consulting                          | 28,840                 | 2,279                     | 10,000                             |
| Insurance                                       | 2,671                  | 2,076                     | 3,000                              |
| Office supplies and postage                     | 36                     | -                         | -                                  |
| Election  | 314                    | 3,212                     | 1,000                              |
| Bank service charges                            | 150                    | 180                       | 200                                |
| Dues and subscriptions                          | 340                    | 376                       | 500                                |
| Treasurer's fees                                | 1,809                  | 1,795                     | 1,883                              |
| Total expenditures                              | <u>85,181</u>          | <u>63,809</u>             | <u>99,383</u>                      |
| <b>OTHER FINANCING USES</b>                     |                        |                           |                                    |
| Transfer to Operations and Maintenance Fee Fund | -                      | 65,000                    | 77,000                             |
| Total other financing uses                      | <u>-</u>               | <u>65,000</u>             | <u>77,000</u>                      |
| Total expenditures requiring appropriation      | <u>85,181</u>          | <u>128,809</u>            | <u>176,383</u>                     |
| <b>ENDING FUND BALANCE</b>                      | <u>\$ 84,598</u>       | <u>\$ 81,423</u>          | <u>\$ 35,675</u>                   |
| <b>EMERGENCY RESERVE</b>                        | <u>\$ 3,795</u>        | <u>\$ 3,770</u>           | <u>\$ 3,920</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  
2026 BUDGET AS ADOPTED  
WITH 2024 ACTUAL AND 2025 ESTIMATED  
For the Years Ended and Ending December 31,**

|   | <b>ACTUAL<br/>2024</b> | <b>ESTIMATED<br/>2025</b> | <b>ADOPTED<br/>BUDGET<br/>2026</b> |
|---|------------------------|---------------------------|------------------------------------|
| <b>BEGINNING FUND BALANCE</b>                   | \$ 57,806              | \$ (43,581)               | \$ (36,036)                        |
| <b>REVENUE</b>                                  |                        |                           |                                    |
| Operations and maintenance fees                 | 208,200                | 239,300                   | 241,920                            |
| Late fees and penalties                         | 5,745                  | 4,365                     | 5,000                              |
| Silo and barn rental fees                       | 1,725                  | 3,075                     | 3,500                              |
| Property conveyance fee                         | -                      | -                         | 2,250                              |
| Total revenue                                   | <u>215,670</u>         | <u>246,740</u>            | <u>252,670</u>                     |
| <b>OTHER FINANCING SOURCES</b>                  |                        |                           |                                    |
| Transfer from General Fund                      | -                      | 65,000                    | 77,000                             |
| Total other financing sources                   | <u>-</u>               | <u>65,000</u>             | <u>77,000</u>                      |
| Total funds available                           | <u>273,476</u>         | <u>268,159</u>            | <u>293,634</u>                     |
| <b>EXPENDITURES</b>                             |                        |                           |                                    |
| General Government                              |                        |                           |                                    |
| Legal   | 835                    | 6,683                     | 6,700                              |
| Management services                             | 39,085                 | 36,422                    | 37,000                             |
| Delinquent account collection services          | -                      | 10,000                    | 15,000                             |
| Landscape maintenance:                          |                        |                           |                                    |
| Monthly contract                                | 52,800                 | 62,400                    | 67,000                             |
| Irrigation repairs                              | 20,673                 | 18,804                    | 19,000                             |
| Special projects                                | 34,915                 | 29,850                    | -                                  |
| Landscape improvements                          | 69,300                 | -                         | -                                  |
| Snow removal                                    | 4,579                  | 8,380                     | 8,500                              |
| Utilities:                                      |                        |                           |                                    |
| Water   | 93,132                 | 126,851                   | 127,000                            |
| Electrical - Silo and Barn                      | 1,738                  | 1,616                     | 1,700                              |
| Electrical - Irrigation                         | -                      | 1,068                     | 1,200                              |
| Maintenance - Barn                              | -                      | 2,121                     | 2,500                              |
| Total expenditures                              | <u>317,057</u>         | <u>304,195</u>            | <u>285,600</u>                     |
| Total expenditures requiring appropriation      | <u>317,057</u>         | <u>304,195</u>            | <u>285,600</u>                     |
| <b>ENDING FUND BALANCE</b>                      | <u>\$ (43,581)</u>     | <u>\$ (36,036)</u>        | <u>\$ 8,034</u>                    |
| <b>EMERGENCY RESERVE</b>                        | <u>\$ 6,470</u>        | <u>\$ 7,402</u>           | <u>\$ 7,580</u>                    |
| <b>FUND BALANCE AS % OF ANNUAL EXPENDITURES</b> | <u>-14%</u>            | <u>-12%</u>               | <u>3%</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  
2026 BUDGET AS ADOPTED  
WITH 2024 ACTUAL AND 2025 ESTIMATED  
For the Years Ended and Ending December 31,**

|  | <b>ACTUAL<br/>2024</b> | <b>ESTIMATED<br/>2025</b> | <b>ADOPTED<br/>BUDGET<br/>2026</b> |
|--|------------------------|---------------------------|------------------------------------|
| <b>BEGINNING FUND BALANCE</b>              | \$ 776,860             | \$ 775,071                | \$ 788,622                         |
| <b>REVENUE</b>                             |                        |                           |                                    |
| Property tax                               | 482,413                | 478,766                   | 502,064                            |
| Specific ownership tax                     | 23,630                 | 23,810                    | 20,083                             |
| Interest income                            | 51,886                 | 39,680                    | 45,000                             |
| Total revenue                              | <u>557,929</u>         | <u>542,256</u>            | <u>567,147</u>                     |
| Total funds available                      | <u>1,334,789</u>       | <u>1,317,327</u>          | <u>1,355,769</u>                   |
| <b>EXPENDITURES</b>                        |                        |                           |                                    |
| Bank service charges                       | 2,436                  | 2,136                     | 2,200                              |
| Treasurer's fees                           | 7,236                  | 7,182                     | 7,531                              |
| 2018A Senior Bonds:                        |                        |                           |                                    |
| Principal                                  | 45,000                 | 50,000                    | 55,000                             |
| Interest                                   | 231,469                | 228,937                   | 226,125                            |
| 2018B Subordinate Bonds:                   |                        |                           |                                    |
| Principal                                  | 221,000                | 205,000                   | 175,000                            |
| Interest                                   | 46,577                 | 29,450                    | 13,563                             |
| Paying agent fees                          | 6,000                  | 6,000                     | 6,000                              |
| Contingency                                | -                      | -                         | 30,000                             |
| Total expenditures                         | <u>559,718</u>         | <u>528,705</u>            | <u>515,419</u>                     |
| Total expenditures requiring appropriation | <u>559,718</u>         | <u>528,705</u>            | <u>515,419</u>                     |
| <b>ENDING FUND BALANCE</b>                 | <u>\$ 775,071</u>      | <u>\$ 788,622</u>         | <u>\$ 840,350</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  
2026 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 2026 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. For 2026, the District has adjusted the quarterly rate by CPI, which increased the fee to \$210 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  
2026 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, a silo, and certain irrigation equipment, landscape maintenance, and snow removal. The 2026 expenses are based on 2025 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 2026, 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<br>December 31, | \$4,150,000                   |                 | \$764,000                       |              | Annual<br>Total |
|----------------------------|-------------------------------|-----------------|---------------------------------|--------------|-----------------|
|                            | Limited Tax General           |                 | Subordinate Limited Tax General |              |                 |
|                            | Obligation Bonds Series 2018A |                 | Obligation Bonds Series 2018B   |              |                 |
|                            | Bearing Interest at 5.625%    |                 | Bearing Interest at 7.750%      |              |                 |
|                            | Principal (1)                 | Interest        | Principal (2)                   | Interest (2) |                 |
| 2026                       | \$ 55,000.00                  | \$ 226,125.00   | \$ 175,000.00                   | \$ 13,563.00 | \$ 469,688.00   |
| 2027                       | 60,000.00                     | 223,031.26      | -                               | -            | 283,031.26      |
| 2028                       | 70,000.00                     | 219,656.26      | -                               | -            | 289,656.26      |
| 2029                       | 75,000.00                     | 215,718.76      | -                               | -            | 290,718.76      |
| 2030                       | 85,000.00                     | 211,500.00      | -                               | -            | 296,500.00      |
| 2031                       | 90,000.00                     | 206,718.76      | -                               | -            | 296,718.76      |
| 2032                       | 100,000.00                    | 201,656.26      | -                               | -            | 301,656.26      |
| 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      |
|                            | \$ 4,020,000.00               | \$ 3,577,500.12 | \$ 175,000.00                   | \$ 13,563.00 | \$ 7,786,063.12 |

(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.