

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1
WELD COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2023

RESOLUTION

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES, ADOPTING A BUDGET, SETTING FORTH MILL LEVIES, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1, WELD COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023, AND ENDING ON THE LAST DAY OF DECEMBER 2023,

WHEREAS, the Board of Directors of the Severance South Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published on November 09, 2022 in The Greeley Tribune, a newspaper having general circulation within the boundaries of the District, pursuant to statute, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 17, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1 OF WELD COUNTY, COLORADO:

Section 1. 2023 Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2023 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2023. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Severance South Metropolitan District No. 1 for calendar year 2023.

Section 4. 2023 Levy of Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget from property taxes for the 2023 Budget year is \$0. That the 2022 valuation for assessment, as certified by the Weld County Assessor, is \$4,210.

A. Levy for General Operating Fund. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the 2022 total valuation of assessment of all taxable property within the District.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification to County Commissioners. The District's manager is hereby authorized and directed to immediately certify to the County Commissioners of Weld County, Colorado, the 0.000 mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[Remainder of Page Left Blank Intentionally.]

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Weld County, Colorado.

On behalf of the Severance South Metro District 1
(taxing entity)^A

the Board of Directors
(governing body)^B

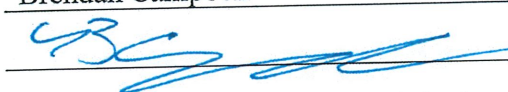
of the Severance South Metro District 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 4,210 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 4,210 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/14/2022 for budget/fiscal year 2023
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	0 mills	\$0

Contact person: Brendan Campbell Daytime phone: (970) 669-3611
(print)
Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 8. Budget Certification. That the budget shall be certified by Director McCarty, Secretary and Treasurer of the District, and made a part of the public records of Severance South Metropolitan District No. 1.

The foregoing Resolution was seconded by Director Pickett.

[Remainder of Page Left Blank Intentionally.]

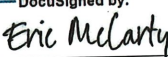
ADOPTED AND APPROVED this 17th day of November 2022.

DocuSigned by:

C06C8CE7D9464BB...

President

ATTEST:

DocuSigned by:

CD482C2A523B44A...

STATE OF COLORADO)
)
COUNTY OF WELD)ss.
)
SEVERANCE SOUTH)
METROPOLITAN)
DISTRICT NO. 1)

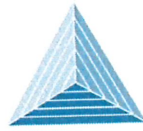
I, Eric McCarty, Secretary and Treasurer to the Board of Directors of the Severance South Metropolitan District No. 1, Weld County, Colorado, do hereby certify that the foregoing pages constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a meeting of the Board held via Microsoft Teams on Thursday, November 17, 2022, at 10:00 a.m., as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 budget of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 17th day of November, 2022.

DocuSigned by:

Eric McCarty

CD482C2A523B44A...



PINNACLE
CONSULTING GROUP, INC.

Management Budget Report

BOARD OF DIRECTORS
SEVERANCE SOUTH METROPLITAN DISTRICT NO. 1

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2023 including the comparative information of the forecasted estimate for the year ending December 31, 2022 and the actual historic information for the year 2021.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

Pinnacle Consulting Group, Inc.
January 31, 2023

Loveland
550 West Eisenhower Boulevard, Loveland, CO 80537
(970)669-3611

Denver
6950 East Belleview Avenue, Suite 200, Greenwood Village, CO 80111
(303)333-4380

www.PinnacleConsultingGroupInc.com

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Service Fees - District No. 2	\$ 133,195	\$ 36,567	\$ 36,567	\$ 69,831
Service Fees - District No. 3	1,780	1,981	1,980	2,037
Service Fees - District No. 4	31,069	11,504	11,504	2,909
Interest Income & Other	22	-	4,000	6,651
Total Revenues	\$ 166,066	\$ 50,052	\$ 54,051	\$ 81,428
Expenditures				
Operations and Maintenance:				
Operations and Maintenance	\$ -	\$ 100,000	\$ -	\$ -
Utilities	-	25,000	-	-
Administration:				
Accounting	16,320	33,410	25,000	33,500
Audit	6,750	7,500	7,500	8,000
Directors Fees	863	7,000	7,000	2,400
District Management	17,010	76,700	13,000	33,000
District Engineer	2,205	5,000	5,000	5,000
Election	-	1,500	1,500	1,500
Insurance	-	3,500	8,788	9,850
Legal	22,339	20,000	36,000	40,000
Office, Dues and Other	2,817	4,700	4,700	4,700
Contingency	-	20,000	-	20,000
Total Operating Expenditures	\$ 68,304	\$ 304,310	\$ 108,488	\$ 157,950
Revenues Over/(Under) Expenditures	\$ 97,762	\$ (254,258)	\$ (54,437)	\$ (76,522)
Beginning Fund Balance	\$ 621,686	\$ 708,343	\$ 719,448	\$ 665,011
Ending Fund Balance	\$ 719,448	\$ 454,085	\$ 665,011	\$ 588,489
COMPONENTS OF ENDING FUND BALANCE:				
Emergency Reserve (3% of Revenues)	\$ 4,982	\$ 1,502	\$ 1,622	\$ 2,443
Operating Reserve (25% of Expenses)	17,076	39,488	39,488	39,488
Unrestricted	697,390	413,095	623,901	546,558
TOTAL ENDING FUND BALANCE	\$ 719,448	\$ 454,085	\$ 665,011	\$ 588,489
Mill Levy				
Operating	0.000	0.000	0.000	0.000
Debt Service	0.000	0.000	0.000	0.000
Total Mill Levy	0.000	0.000	0.000	0.000
Assessed Value	\$ 3,980	\$ 4,440	\$ 4,440	\$ 4,210
Property Tax Revenue				
Operating	-	-	-	-
Debt Service	-	-	-	-
Total Property Tax Revenue	\$ -	\$ -	\$ -	\$ -

Modified Accrual Budgetary Basis

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(f)
	2021	2022	2022	2023
	Audited	Amended	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Service Fees - District No. 2	\$ 532,781	\$ 146,263	\$ 146,263	\$ 279,323
Service Fees - District No. 3	7,121	7,917	7,917	8,147
Service Fees - District No. 4	124,275	46,014	46,014	11,638
Interest Income	-	19	19	-
Total Revenues	\$ 664,177	\$ 200,213	\$ 200,213	\$ 299,108
Expenditures				
Capital Note Repayment	\$ -	\$ 640,794	\$ 640,794	\$ 150,000
Total Debt Service Expenditures	\$ -	\$ 640,794	\$ 640,794	\$ 150,000
Revenues Over/(Under) Expenditures	\$ 664,177	\$ (440,581)	\$ (440,581)	\$ 149,108
Beginning Fund Balance	\$ 110,769	\$ 774,946	\$ 774,946	\$ 334,365
Ending Fund Balance	\$ 774,946	\$ 334,365	\$ 334,365	\$ 483,473

Modified Accrual Budgetary Basis

SEVERANCE SOUTH METROPOLITAN DISTRICT NO. 1 2023 BUDGET MESSAGE

Severance South Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act and was formed in 2017. The District was established in the Town of Severance, Colorado consisting of approximately 601 acres. The District was organized to provide financing for the acquisition, construction and installation of public improvements including, but not limited to, potable and non-potable water, wastewater systems, storm drainage, streets and roadway landscaping; park and recreation improvements, security services, covenant enforcement and design review, and to provide the operation and maintenance of these improvements.

The District has no employees and all operations and administrative functions are contracted.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2023 budget, the following goals are foremost for the District:

- Provide the level of operational support necessary in order to maintain the District's compliance with state statute.

General Fund

Revenues

The District budgeted revenues a total of \$81,428 for the General Fund. This primarily consists of \$74,777 in service fees in 2023 as provided for in the intergovernmental agreement between Severance South Metropolitan District Nos. 1-4.

Expenses

The District budgeted total operating expenditures of \$157,950 in 2023.

Fund Balance/Reserves

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2023, as defined under TABOR. It is anticipated the District will end the 2023 fiscal year with a fund balance of \$587,533.

Debt Service Fund

Revenues

The District budgeted revenues of \$299,108 in service fees in 2023 as provided for in the intergovernmental agreement between Severance South Metropolitan District Nos. 1-4.

Expenses

The District has budgeted \$150,000 in debt services expenses.

Fund Balance/Reserves

The District has budgeted to end 2023 with \$483,473 in fund balance.

CERTIFICATION OF VALUATION BY WELD COUNTY ASSESSOR

Name of Jurisdiction: 1608 - SEVERANCE SOUTH MD 1

IN WELD COUNTY ON 11/28/2022

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 2022 IN WELD COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,440
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$4,210
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,210
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

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

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

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

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

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN WELD COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$984
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: I	\$0
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.

I 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, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

Data Date: 11/28/2022