

# **SENAC SOUTH METROPOLITAN DISTRICT NO. 1**

## **2022 ANNUAL REPORT**

# SENAC SOUTH METROPOLITAN DISTRICT NO. 1

## 2022 ANNUAL REPORT TO THE CITY OF AURORA

Pursuant to §32-1-207(3)(c) and the Service Plan for Senac South Metropolitan District No. 1 (the “**District**”), the District is required to provide an annual report to the City of Aurora (the “**City**”) with regard to the following matters.

For the year ending December 31, 2022, the District makes the following report:

### Service Plan Requirements

**1. Boundary changes made or proposed to the District’s boundaries as of December 31 of the prior year.**

There were no boundary changes made or proposed to the District’s boundaries in 2022.

**2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.**

On January 10, 2022 the District entered into a Supplement to Exhibit A for the South Aurora Regional Improvement Authority Establishment Agreement, as amended by the First Amendment to the Establishment Agreement dated October 2, 2018 and a Supplement to South Aurora Regional Improvement Authority Master Plan Number Two dated June 15, 2018, both of which are attached hereto as **Exhibit A**.

**3. Copies of the District’s rules and regulations, if any, as of December 31 of the prior year.**

As of December 31, 2022, the District had not adopted any rules or regulations.

**4. A summary of any litigation which involves the District’s Public Improvements as of December 31 of the prior year.**

To our actual knowledge, based on review of the court records in Arapahoe County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s Public Improvements as of December 31, 2022.

**5. Status of the District’s construction of the Public Improvements as of December 31 of the prior year.**

As of December 31, 2022, the District had not constructed any Public Improvements.

**6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.**

The District did not construct any facilities or improvements dedicated to or accepted by the City in 2022.

**7. The assessed valuation of the District for the current year.**

The District's assessed valuation is attached here to as **Exhibit B**.

**8. Current year budget including a description of the Public Improvements to be constructed in such year.**

The 2023 budget is attached hereto as **Exhibit C**. As of the date of filing this report, the District does not plan to construct any Public Improvements in 2023.

**9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.**

The 2022 Audit has not yet been completed and will be provided as a supplement to this report upon completion.

**10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.**

The District did not receive notice of any uncured events of default by the District, which continued beyond a ninety (90) day period, under any Debt instrument.

**11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

There was not any inability of the District to pay its obligations as they came due, in accordance with the terms of such obligation, which continued beyond a ninety (90) day period.

**§32-1-207(3) Statutory Requirements**

**1. Boundary changes made.**

There were no boundary changes made to the District's boundaries in 2022.

**2. Intergovernmental Agreements entered into or terminated with other governmental entities.**

On January 10, 2022 the District entered into a Supplemental to Exhibit A for the South Aurora Regional Improvement Authority Establishment Agreement, as amended by the First Amendment to the Establishment Agreement dated October 2, 2018, and a Supplement to South Aurora Regional Improvement Authority Master Plan Number Two

dated June 15, 2018, both of which are attached hereto as **Exhibit A**. There were no Intergovernmental Agreements terminated in 2022.

**3. Access information to obtain a copy of rules and regulations adopted by the board.**

As of December 31, 2022, the District had not adopted any rules or regulations.

**4. A summary of litigation involving Public Improvements owned by the District.**

To our actual knowledge, based on review of the court records in Arapahoe County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's Public Improvements as of December 31, 2022.

**5. The status of the construction of Public Improvements by the District.**

As of December 31, 2022, the District had not constructed any Public Improvements.

**6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.**

The District did not construct any facilities or improvements dedicated to or accepted by the City in 2022.

**7. The final assessed valuation of the District as of December 31<sup>st</sup> of the reporting year.**

The District's final assessed valuation is attached hereto as **Exhibit B**.

**8. A copy of the current year's budget.**

The 2023 budget is attached hereto as **Exhibit C**.

**9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

The 2022 Audit has not yet been completed and will be provided as a supplement to this report upon completion.

**10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.**

The District did not receive notice of any uncured defaults existing for more than ninety (90) days under any Debt instrument of the District.

**11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

There was not any inability of the District to pay its obligations as they came due under any obligation which continued beyond a ninety (90) day period.

**EXHIBIT A**

Supplemental to Exhibit A for the South Aurora Regional Improvement Authority  
Establishment Agreement

Supplement to South Aurora Regional Improvement Authority Master Plan Number Two

**SUPPLEMENT TO EXHIBIT A  
SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY  
ESTABLISHMENT AGREEMENT**

**ADDITIONAL DISTRICT SIGNATURES AND NOTICE INFORMATION**

IN WITNESS WHEREOF, the undersigned hereby execute and agree to the South Aurora Regional Improvement Authority Establishment Agreement, as amended by the First Amendment to the South Aurora Regional Improvement Authority Establishment Agreement dated October 2, 2018, as the date(s) set forth below.

**SENAC SOUTH METROPOLITAN DISTRICT NO. 1**

By: *Marc Cooper*  
Marc Cooper (Jan 10, 2022 16:27 MST)

Name: Marc Cooper

Title: Director

Date: Jan 10, 2022

ATTEST:

By: *Eric R. Miller*  
Eric R. Miller (Jan 24, 2022 13:19 MST)

Name: Eric R. Miller

Title: Director

**SENAC SOUTH METROPOLITAN DISTRICT NO. 2**

By: *Marc Cooper*  
Marc Cooper (Jan 10, 2022 16:27 MST)

Name: Marc Cooper

Title: Director

Date: Jan 10, 2022

ATTEST:

By: *Eric R. Miller*  
Eric R. Miller (Jan 24, 2022 13:19 MST)

Name: Eric R. Miller

Title: Director

**SENAC SOUTH METROPOLITAN DISTRICT NO. 3**

By: Marc Cooper  
Marc Cooper (Jan 10, 2022 16:27 MST)

Name: Marc Cooper

Title: Director

Date: Jan 10, 2022

ATTEST:

By: Eric R. Miller  
Eric R. Miller (Jan 24, 2022 13:19 MST)

Name: Eric R. Miller

Title: Director

**SENAC SOUTH METROPOLITAN DISTRICT NO. 4**

By: Marc Cooper  
Marc Cooper (Jan 10, 2022 16:27 MST)

Name: Marc Cooper

Title: Director

Date: Jan 10, 2022

ATTEST:

By: Eric R. Miller  
Eric R. Miller (Jan 24, 2022 13:19 MST)

Name: Eric R. Miller

Title: Director

**NOTICE ADDRESS (FOR ALL DISTRICTS):**

Senac South Metropolitan District Nos. 1-4

White Bear Ankele Tanaka & Waldron

2154 E. Commons Ave., Suite 2000

Centennial, CO 80122

Attn: Clint Waldron



Phone: (303) 858-1800

Email: cwaldron@wbapc.com

Fax: (303) 858-1801

**SUPPLEMENT TO SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY  
ARI MASTER PLAN NUMBER TWO**

**ADDITIONAL DISTRICT APPROVAL**

IN WITNESS WHEREOF, the undersigned districts hereby approve the South Aurora Regional Improvement Authority Master Plan Number Two, dated June 15, 2018, pursuant to Section 5.08 of the South Aurora Regional Improvement Authority Establishment Agreement, as amended, as of the date(s) set forth below.

**SENAC SOUTH METROPOLITAN DISTRICT NO. 1**

By: *Marc Cooper*  
Marc Cooper (Jan 10, 2022 16:27 MST)

Name: Marc Cooper

Title: Director

Date: Jan 10, 2022

ATTEST:

By: *Eric R. Miller*  
Eric R. Miller (Jan 24, 2022 13:19 MST)

Name: Eric R. Miller

Title: Director

**SENAC SOUTH METROPOLITAN DISTRICT NO. 2**

By: *Marc Cooper*  
Marc Cooper (Jan 10, 2022 16:27 MST)

Name: Marc Cooper

Title: Director

Date: Jan 10, 2022

ATTEST:

By: *Eric R. Miller*  
Eric R. Miller (Jan 24, 2022 13:19 MST)

Name: Eric R. Miller

Title: Director

**SENAC SOUTH METROPOLITAN DISTRICT NO. 3**

By: *Marc Cooper*  
Marc Cooper (Jan 10, 2022 16:27 MST)

Name: Marc Cooper

Title: Director

Date: Jan 10, 2022

ATTEST:

By: *Eric R. Miller*  
Eric R. Miller (Jan 24, 2022 13:19 MST)

Name: Eric R. Miller

Title: Director

**SENAC SOUTH METROPOLITAN DISTRICT NO. 4**

By: *Marc Cooper*  
Marc Cooper (Jan 10, 2022 16:27 MST)

Name: Marc Cooper

Title: Director

Date: Jan 10, 2022

ATTEST:

By: *Eric R. Miller*  
Eric R. Miller (Jan 24, 2022 13:19 MST)

Name: Eric R. Miller

Title: Director

**EXHIBIT B**  
2022 Assessed Valuation



PK Kaiser, MBA, MS

Assessor

November 23, 2022

AUTH 4551 SENAC S METRO DIST #1  
GEORGE ROWLEY  
WHITE BEAR & ANKELE P.C.  
2154 E COMMONS AVE STE 2000  
CENTENNIAL CO 80122

OFFICE OF THE ASSESSOR  
5334 S. Prince Street  
Littleton, CO 80120-1136  
Phone: 303-795-4600  
TDD: Relay-711  
Fax:303-797-1295  
<http://www.arapahoegov.com/assessor>  
[assessor@arapahoegov.com](mailto:assessor@arapahoegov.com)

Code # 4551

### RECERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2022 of:

\$6,671

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS  
Arapahoe County Assessor

enc

## RECERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity       YES    NO

Date: November 23, 2022

**NAME OF TAX ENTITY:**                      SENAC S METRO DISTRICT #1

**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("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:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	145
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	6,671
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	6,671
5. NEW CONSTRUCTION: *	5.	\$	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	7,314
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	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.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
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.):	11.	\$	0

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

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

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

**USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY**

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	25,220
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	25,220
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (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.):	7.	\$	0

**DELETIONS FROM TAXABLE REAL PROPERTY**

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

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, 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	1.	\$	0
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IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	0
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\*\* The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

**EXHIBIT C**  
2023 Budget

**SENAC SOUTH METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**



**SENAC SOUTH METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 43,894,860	\$ 44,377,462
REVENUES			
Property Taxes	-	10	496
Specific Ownership Taxes	-	-	29
Bond Proceeds	45,155,000	-	-
Developer Advance	151,233	82,000	64,000
Interest Income	2,307	598,620	650,000
Total revenues	<u>45,308,540</u>	<u>680,630</u>	<u>714,525</u>
TRANSFERS IN	<u>8,000</u>	<u>2,999</u>	<u>-</u>
Total funds available	<u>45,316,540</u>	<u>44,578,489</u>	<u>45,091,987</u>
EXPENDITURES			
General Fund	164,365	65,000	64,960
Debt Service Fund	-	4,000	4,000
Capital Projects Fund	1,249,315	129,028	45,022,583
Total expenditures	<u>1,413,680</u>	<u>198,028</u>	<u>45,091,549</u>
TRANSFERS OUT	<u>8,000</u>	<u>2,999</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,421,680</u>	<u>201,027</u>	<u>45,091,549</u>
ENDING FUND BALANCES	<u>\$ 43,894,860</u>	<u>\$ 44,377,462</u>	<u>\$ 438</u>
EMERGENCY RESERVE	\$ -	\$ -	\$ 5
RESTRICTED CAPITAL PROJECTS FUNDS	-	2,328,049	-
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 2,328,049</u>	<u>\$ 5</u>

No assurance is provided. See summary of significant assumptions.

**SENAC SOUTH METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/3/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Vacant land	\$ -	\$ 145	\$ 145
Agricultural	-	-	6,526
Certified Assessed Value	\$ -	\$ 145	\$ 6,671
 <b>MILL LEVY</b>			
General	0.000	11.133	12.205
Debt Service	0.000	55.664	61.027
ARI	0.000	1.113	1.220
Total mill levy	0.000	67.910	74.452
 <b>PROPERTY TAXES</b>			
General	\$ -	\$ 2	\$ 81
Debt Service	-	8	407
SARIA	-	-	8
Levied property taxes	-	10	496
Budgeted property taxes	\$ -	\$ 10	\$ 496
 <b>BUDGETED PROPERTY TAXES</b>			
<b>General</b>	<b>\$ -</b>	<b>\$ 2</b>	<b>\$ 81</b>
<b>Debt Service</b>	<b>-</b>	<b>8</b>	<b>407</b>
<b>SARIA</b>	<b>-</b>	<b>-</b>	<b>8</b>
	<b>\$ -</b>	<b>\$ 10</b>	<b>\$ 496</b>

No assurance is provided. See summary of significant assumptions.

**SENAC SOUTH METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ (13,132)	\$ 871
<b>REVENUES</b>			
Property taxes	-	2	81
Property taxes - SARIA	-	-	8
Specific Ownership Taxes	-	-	5
Developer advance	151,233	82,000	64,000
Total revenues	151,233	82,002	64,094
Total funds available	151,233	68,870	64,965
<b>EXPENDITURES</b>			
General and administrative			
Accounting	24,723	33,000	25,000
Audit	-	5,000	5,000
Consulting	4,267	-	-
County Treasurer fees	-	-	1
Dues and licenses	1,839	307	500
Election expense	-	2,239	3,000
Engineering	3,406	-	-
Insurance and bonds	27,556	2,979	3,500
Legal services	102,574	20,000	25,000
Website	-	1,100	1,500
SARIA	-	-	8
Contingency	-	375	1,451
Total expenditures	164,365	65,000	64,960
<b>TRANSFERS OUT</b>			
Transfers to other fund	-	2,999	-
Total expenditures requiring appropriation	164,365	67,999	64,960
ENDING FUND BALANCE	\$ (13,132)	\$ 871	\$ 5
EMERGENCY RESERVE	\$ -	\$ -	\$ 5
TOTAL RESERVE	\$ -	\$ -	\$ 5

No assurance is provided. See summary of significant assumptions.

**SENAC SOUTH METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 8,000	\$ 4,008
REVENUES			
Property Taxes	-	8	407
Specific Ownership Taxes	-	-	24
Total revenues	<u>-</u>	<u>8</u>	<u>431</u>
TRANSFERS IN			
Transfer from Other Funds	<u>8,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>8,000</u>	<u>8,008</u>	<u>4,439</u>
EXPENDITURES			
General and administrative			
County Treasurer fees	-	-	6
Trustee Fees	-	4,000	4,000
Total expenditures	<u>-</u>	<u>4,000</u>	<u>4,006</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>4,000</u>	<u>4,006</u>
ENDING FUND BALANCE	<u>\$ 8,000</u>	<u>\$ 4,008</u>	<u>\$ 433</u>

No assurance is provided. See summary of significant assumptions.

**SENAC SOUTH METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 43,899,992	\$ 44,372,583
REVENUES			
Bond Proceeds	45,155,000	-	-
Interest Income	2,307	598,620	650,000
Total revenues	<u>45,157,307</u>	<u>598,620</u>	<u>650,000</u>
TRANSFERS IN			
Transfers from other fund	<u>-</u>	<u>2,999</u>	<u>-</u>
Total funds available	<u>45,157,307</u>	<u>44,501,611</u>	<u>45,022,583</u>
EXPENDITURES			
General & Administrative			
Accounting	-	6,500	30,000
Engineering	-	-	75,000
Legal	-	-	30,000
Capital Projects			
Capital Infrastructure	-	-	44,741,375
Organization costs	-	100,000	-
Contingency	-	-	46,208
Bond issue costs	1,249,315	22,528	-
Repay developer advance	-	-	100,000
Total expenditures	<u>1,249,315</u>	<u>129,028</u>	<u>45,022,583</u>
TRANSFERS OUT			
Transfer to Other Funds	<u>8,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,257,315</u>	<u>129,028</u>	<u>45,022,583</u>
ENDING FUND BALANCE	<u>\$ 43,899,992</u>	<u>\$ 44,372,583</u>	<u>\$ -</u>
RESTRICTED CAPITAL PROJECTS FUNDS	\$ -	\$ 2,328,049	\$ -
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 2,328,049</u>	<u>\$ -</u>

No assurance is provided. See summary of significant assumptions.

**SENAC SOUTH METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by Court Order on December 8, 2005, to provide financing for the design, acquisition, installation, and construction of streets, traffic and safety controls, water, sanitary sewer, parks and recreation, public transportation, mosquito control and security services and related operation and maintenance services within and without the boundaries of the District. The District's service area is located entirely within the City of Aurora (the "City"), in Arapahoe County, Colorado. Under the Service Plan, the District is the Operating District and is related to Senac South Metropolitan District No. 2 (Senac South No. 2) and Senac South Metropolitan District No. 3 (Senac South No. 3) and Senac South Metropolitan District No. 4 (Senac South No. 4), which serve as the Taxing Districts. The Operating District is responsible for management of the construction of all facilities and improvement and for operation and maintenance of all improvements not conveyed to the City. The Taxing Districts provide the funding for infrastructure improvements and the tax base needed to support ongoing operations.

On November 1, 2005, District voters approved authorization to increase property taxes up to \$500,000, annually, without limitation of rate, to pay for the operations and maintenance expenditures of the District. District electors approved revenue indebtedness of \$66,000,000 for the above listed facilities, \$66,000,000 for refunding of debt, \$66,000,000 for multi-fiscal year intergovernmental contracts and \$66,000,000 for reimbursement agreements. The voters also authorized debt of \$8,500,000 for the issuance of mortgages, liens and other encumbrances on District real and personal property and \$40,000,000 for Aurora Regional Improvements. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law. Pursuant to the Service Plan, the total debt of the Districts is limited to \$55,000,000.

As a condition of the Service Plan Approval, the District agreed to enter into an Intergovernmental Agreement with The City of Aurora, Colorado (the "City"), Senac South No. 2, Senac South No. 3 and Senac South No. 4 (Districts 1, 2, 3 and 4 collectively the "Districts"). Under the provisions of this Intergovernmental Agreement the Districts have the responsibility, among other things, to construct certain public improvements set forth in the Service Plan and to impose a mill levy as defined in the Districts' Service Plan as the Aurora Regional Improvements Mill Levy (ARI Mill Levy). None of the Districts' debt service mill levy can exceed 50 mills for any portion of the Districts' debt which exceeds 50% of the Districts' assessed valuation ("mill levy cap").

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**SENAC SOUTH METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues**

**Developer Advances**

The District is in the development stage. Advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse others from bond proceeds and other available revenue.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**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 6.00% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on historical and anticipated future earnings based on market conditions.

**System Development Fees**

The District imposes a System Development Fee in the amount of \$2,500 for each residential unit within the District. The System Development Fee is payable at the time a building permit is issued by the County for a residential unit. The System Development Fee revenue is pledged to the payment of the Bonds. No System Development Fee revenue is expected in 2023.

**SENAC SOUTH METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative and Operating Expenditures**

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance and other administrative expenditures.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.50% of property tax collections by Arapahoe County.

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2021A(3) Bonds (discussed under Debt and Leases). No principal or interest payments are expected in 2023.

**Capital Infrastructure**

The District anticipates capital expenditures as noted on the Capital Projects Fund page of the budget. The District will own, operate and maintain all District eligible public improvements within its boundaries that are not dedicated to any other public entity.

**Debt and Leases**

**General Obligation Limited Tax Bonds, Series 2021<sup>(3)</sup> (the Bonds)**

The District issued the Bonds on November 10, 2021, in the par amount of \$45,155,000. Proceeds from the sale of the Bonds were used for the purposes of (i) paying a portion of the costs of capital infrastructure improvements or reimbursing the landowner for the advancement of those costs, to the extent of available proceeds; and (ii) paying costs of issuance of the Bonds.

The Bonds bear interest at 5.250% per annum and are payable annually on December 1, beginning on December 1, 2021, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2051 and are subject to mandatory redemption to the extent of available Pledged Revenue.

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the maturity date. Unpaid interest on the Bonds compounds annually on December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 2, 2061, such amounts shall be extinguished and no longer due and outstanding.



**SENAC SOUTH METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

**General Obligation Limited Tax Bonds, Series 2021<sup>(3)</sup> (the Bonds) (continued)**

Proceeds of the Bonds in the amount of \$2,300,000 were deposited to the Restricted Account of the Project Fund upon closing. Upon the receipt by the District or the Landowner of a No Further Action Letter from the State or such other governmental authorities having jurisdiction over such matters, the Trustee is to transfer all amounts from within the Restricted Account to the Unrestricted Account. The anticipated balance in the Restricted Account as of December 31, 2023 is nil.

**Developer Advances**

Estimated Developer advances for operations for December 31, 2023 are as follows:

	Balance December 31, 2021	Additions	Deletions	Est. Balance December 31, 2022
Developer Advance				
Principal - O&M	\$ 151,233	\$ 82,000	\$ -	\$ 233,233
Principal - Capital	-	100,000	-	100,000
Interest	87,459	13,534	-	100,993
Total	<u>\$ 238,692</u>	<u>\$ 195,534</u>	<u>\$ -</u>	<u>\$ 434,226</u>
	Balance December 31, 2022	Additions	Deletions	Est. Balance December 31, 2023
Developer Advance				
Principal - O&M	\$ 233,233	\$ 64,000	\$ -	\$ 297,233
Principal - Capital	100,000	-	100,000	-
Interest	100,993	19,766	-	120,758
Total	<u>\$ 434,226</u>	<u>\$ 83,766</u>	<u>\$ 100,000</u>	<u>\$ 417,991</u>

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending, as defined under TABOR.

**This information is an integral part of the accompanying budget.**