

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2023

The Board of Directors of Senac South Metropolitan District No. 4 (the “**Board**”), City of Aurora, Arapahoe County, Colorado (the “**District**”), held a special meeting, via teleconference on August 31, 2023, at the hour of 2:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2023 BUDGET

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2023 BUDGETS

NOTICE IS HEREBY GIVEN that the Boards of Directors (the “**Boards**”) of the SENAC SOUTH METROPOLITAN DISTRICT NOS. 2-4 (the “**Districts**”), will hold a meeting via teleconference on Thursday, August 31, 2023 at 2:00 P.M., for the purpose of conducting such business as may come before the Boards including a public hearing on the 2023 proposed budgets (the “**Proposed Budgets**”). This meeting can be joined using the following teleconference information:

<https://us06web.zoom.us/j/83040562051?pwd=S0g3b2dlb2pYejNoTjFHRDkxWlJiUT09>

Call-in Number: 720-707-2699; Meeting ID: 830 4056 2051; Passcode: 126923

NOTICE IS FURTHER GIVEN that the Proposed Budgets have been submitted to the Districts. Copies of the Proposed Budgets are on file in the office of CliftonLarsonAllen, LLP, 8390 E Crescent Pkwy #300, Englewood, CO 80111, where the same are open for public inspection.

Any interested elector of the Districts may file any objections to the Proposed Budgets at any time prior to final adoption of the Proposed Budgets by the Boards. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARDS OF DIRECTORS:

SENAC SOUTH METROPOLITAN DISTRICT NOS. 2-4,
a quasi-municipal corporation and political subdivision of the
State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON

Attorneys at Law

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for their review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Arapahoe County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED THIS 31ST DAY OF AUGUST 2023.

DISTRICT:

**SENAC SOUTH METROPOLITAN
DISTRICT NO. 4**, a quasi-municipal corporation
and political subdivision of the State of Colorado

By: *Jerry B Richmond III*
Jerry B Richmond III (Sep 19, 2023 15:15 MDT)
Officer of the District

Attest:

By: *Aaron Clutter*
Aaron Clutter (Sep 19, 2023 15:55 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
SENAC SOUTH METROPOLITAN DISTRICT NO. 4

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on August 31, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 31st day of August 2023.

Aaron Clutter
Aaron Clutter (Sep 19, 2023 15:55 MDT)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

SENAC SOUTH DISTRICT NO. 4
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2023

**SENAC SOUTH METRO DISTRICT NO. 4
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

8/18/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | - | - | - |
| Total revenues | - | - | - |
| Total funds available | - | - | - |
| EXPENDITURES | | | |
| General and administrative | | | |
| Total expenditures requiring appropriation | - | - | - |
| ENDING FUND BALANCE | \$ - | \$ - | \$ - |
| EMERGENCY RESERVE | \$ - | \$ - | \$ - |
| TOTAL RESERVE | \$ - | \$ - | \$ - |

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

**SENAC SOUTH METRO DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

8/18/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|------------------------------------|----------------|-------------------|----------------|
| ASSESSED VALUATION | | | |
| Vacant land | \$ 145 | \$ 145 | \$ - |
| Natural resources | 725 | 725 | 725 |
| Agricultural | 6,874 | 7,169 | - |
| Certified Assessed Value | \$ 7,744 | \$ 8,039 | \$ 725 |
| MILL LEVY | | | |
| General | 0.000 | 0.000 | 0.000 |
| Total mill levy | 0.000 | 0.000 | 0.000 |
| PROPERTY TAXES | | | |
| General | \$ - | \$ - | \$ - |
| Levied property taxes | - | - | - |
| Budgeted property taxes | \$ - | \$ - | \$ - |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ - | \$ - | \$ - |
| | \$ - | \$ - | \$ - |

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

**SENAC SOUTH METROPOLITAN DISTRICT NO. 4
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 a Taxing District and is related to Senac South Metropolitan District No. 1 (Senac South No. 1), which is the Operating District, Senac South Metropolitan District No. 2 (Senac South No. 2) and Senac South Metropolitan District No. 3 (Senac South No. 3), 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 based 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. 1, 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 50.000 mills for any portion of the Districts' debt which exceeds 50.00% of the Districts' assessed valuation ("mill levy cap").

The District as 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. 4
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. No developer advances expected in 2023.

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. No administrative and operating expenditures expected in 2023.

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% of fiscal year spending. As the primary source of revenue is not derived from TABOR restricted sources, the emergency reserve is \$0 for 2023.

This information is an integral part of the accompanying budget.