

REATA SOUTH METROPOLITAN DISTRICT
COUNTY OF DOUGLAS, COLORADO
2023 ANNUAL REPORT

Board of County Commissioners
Douglas, Colorado
via Email

County Clerk and Recorder
Douglas, Colorado
via Email

Office of the State Auditor,
1525 Sherman Street, 7th Floor
Denver, Colorado 80203
via E-Filing Portal

Division of Local Government,
1313 Sherman Street, Room 521
Denver, Colorado 80203
via E-Filing Portal

The following information and documents (attached as exhibits) are provided for calendar year 2023 pursuant to Section 32-1-207(3)(c)(I), C.R.S., and Section VII(3) of the Service Plan of Reata South Metropolitan District (the “**District**”) which was approved by the Board of County Commissioners of Douglas County (the “**County**”) and filed with the District Court and County Clerk:

1. **Boundary changes made:** No boundary changes were made in 2023, and no boundary changes are anticipated in 2024.

2. **Intergovernmental agreements entered into or terminated:**

Existing:

- Colorado Special Districts Property and Liability Pool. Intergovernmental Agreement dated February 9, 2006 setting forth rights and obligations of membership in governmental insurance pool. Term: until terminated.
- Denver Southeast Suburban Water and Sanitation District. Intergovernmental Agreement dated September 13, 2006 establishing cost-sharing, payment procedures, service and other matters related to planning, construction, operation and financing of sanitary sewer facilities within the District. Term: until terminated by agreement of the parties.
- Denver Southeast Suburban Water and Sanitation District. Developer Service Agreement dated December 28, 2000. Term: none stated. This Agreement provides for water and sewer service within the District. The District is not a party to this Agreement which was made between the developer and Denver Southeast Suburban Water and Sanitation District prior to the District’s organization.

- Denver Southeast Suburban Water and Sanitation District. Intergovernmental Agreement dated December 12, 2012 establishing a water augmentation program to install and maintain three permanent monitoring wells on District open space. Term: until terminated by agreement of the parties.
- Douglas County Board of County Commissioners and Colorado Golf Club, LLC. Subdivision Improvement Agreement and Intergovernmental Agreement for Reata South Private Roads (“**County IGA**”) entered into in 2008. Term: The County IGA is terminated pursuant to the Termination of Subdivision Improvement Agreement and Intergovernmental Agreement for Reata South Filing No. 1 dated November 10, 2015

Proposed:

None.

Terminated:

None.

3. **Contracts for operations, debt, and other contractual obligations with sub districts or operating and taxing sister districts:** None.

4. **Reimbursement Agreements with developers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the District:**

- Funding Agreement dated February 9, 2006 with Colorado Golf Club, LLC (“**CGC**”) setting forth the terms under which CGC will advance funds to the District to pay the costs of construction and operating the public improvements authorized under the Service Plan and the terms under which such funds will be repaid.
- Facility Fee Agreement dated December 14, 2006 with CGC obligating lot owners to pay facility fees to fund the costs of constructing and financing water and sanitation facilities (note: the facility fee is not an “advance” but is included for general information).
- Facility Fee Agreement dated August 21, 2007 with CGC Operations, LLC obligating CGC Operations, LLC to pay facility fees to fund the costs of constructing and financing water and sanitation facilities for the “Commercial Property,” as defined in such Facility Fee Agreement (note: the facility fee is not an “advance” but is included for general information).

5. **Access information to obtain a copy of the Rules and Regulations:** The District’s Road Regulations and the Betts Lake Policies and Procedures can be found on the District’s website: <https://www.reatasouthmetrodistrict.com/>

6. **A summary of any litigation involving public improvements by the District:**
None.

7. **Indicate estimated year of build-out per Service Plan; compare to any revisions:** The Service Plan estimated build-out in 2014; build-out is currently unknown because of market conditions. As of December 31, 2023, all lots had been conveyed by the original developer. This includes the original 170 lots (including Betts Lake lots), the nine new lots along Preservation Trail, one new custom lot along Forest Keep, and the thirty-three Village lots.

8. **List services provided with beginning date compared to date authorized by Service Plan or stated provision date in Service Plan:** Section III(C) of the Service Plan provides that all public improvements are expected to be completed and acquired by the District before the end of 2006. Please see the 2009 Annual Report for Activities Completed in 2008 Fiscal Year (“**2009 Annual Report**”) for a description of the public improvements, including the status of the park and recreation improvements. As of December 31, 2023, no other public improvements were anticipated.

By December 31, 2006, the District had commenced provision of the following services: water, sanitary sewer, storm drainage, streets and security services.

9. **List changes to Service Plan: when authorized; when implemented or expected to be implemented:** There have been no changes to the Service Plan, and the Board of Directors do not plan to make any changes at the present time.

10. **List facilities to be acquired or constructed or leased back per Service Plan; compare to completed facilities with date of completion, date of operation:** See response to item 8.

11. **List facilities not completed; indicate why; indicate revised schedule, if any:** See response to item 8.

12. **List of facilities or improvements constructed by the District that were conveyed to the Town of Parker:** See response to item 8.

13. **List facilities under construction with percentage complete and anticipated date of completion:** See response to item 8.

14. **Indicate population for previous 5 years plus projected 5 years:**

<u>Previous 5 Years</u>	<u>Projected 5 Years</u>
Approximately 150 +/-	Approximately 350 +/-

15. **List planned number of housing units by type, the number of commercial and industrial properties with respective square footage, and compare to completed respective units and completed commercial and industrial properties:** 142 single-family custom homes, 35 lifestyle dwelling units, 1 estate home and 1,352 acres of non-residential uses, including 18-hole golf course, clubhouse (40,000 square feet) and pool, roadways drainage, open space, trails, recreational facilities and other infrastructure. As of December 31, 2023, 110 residential units and 30 Lifestyle Homes have been completed and the golf clubhouse and pool has been completed. 34 lots were platted to create the Village and one additional single-family

custom lot was added to the community. The 2009 Annual Report sets forth the state of completion of other facilities.

16. **List any enterprises created by and/or operated by or on behalf of the District, and summarize the purpose of each:** None.

17. **Final Assessed Value of Taxable Property within the District's boundaries for current year and for each of seven years prior to current year:**

Year	Assessed Valuation
2023	\$34,483,760
2022	\$28,899,210
2021	\$27,264,750
2020	\$23,756,390
2019	\$22,372,410
2018	\$14,312,600
2017	\$13,063,460
2016	\$14,827,420

18. **For each year, compare the certified assessed value with the Service Plan estimate for that year (if provided in Plan):**

Year	Assessed Valuation	Service Plan Estimates
2023	\$34,483,760	\$32,300,654
2022	\$28,899,210	\$32,300,654
2021	\$27,264,750	\$31,667,308
2020	\$23,756,390	\$31,667,308
2019	\$22,372,410	\$31,046,380
2018	\$14,312,600	\$31,046,380
2017	\$13,063,460	\$30,437,628
2016	\$14,827,420	\$30,437,628

19. **Estimated Assessed Valuation of District at 100% Build-Out:**

(i) *Provide updated estimate based on current events:*

Not presently known because of market conditions.

(ii) *Compare with Service Plan estimate (if provided in Service Plan):*

\$31,667,308

20. **Current annual budget of the District:** Attached as Exhibit A is a copy of the District's Budget for the current fiscal year 2024.

21. Report annual mill levy for current year and for each of seven years prior to current year, broken out by purpose: general operations, revenue-based obligations, debt by issue, contractual obligations, other (describe briefly):

	2023	2022	2021	2020	2019	2018	2017	2016
General operations	5.411	5.321	5.305	5.274	5.291	5.266	5.000	5.000
G.O. Bonds	54.124	53.214	53.054	52.743	52.916	52.664	50.000	50.000
Contractual obligations	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital expenditures	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

22. For each year, compare the actual mill levy with the Service Plan estimate for that year (if provided in Plan). If Service Plan estimates are not available, indicate the same and report actual mill levies:

	2023	2022	2021	2020	2019	2018	2017	2016	
Actual	62.535	58.535	58.359	58.017	58.207	57.930	55.000	55.000	
Service Plan Est.	55.000	55.000	55.000	55.000	55.000	55.000	55.000	55.000	

23. Report annual miscellaneous tax revenue for current year and for each of seven years prior to current year, broken out by purpose: general operations, revenue-based obligations, debt by issue, contractual obligations, other (describe briefly):

2023*: \$1,853,714 (operations, debt, specific ownership)
2022: \$1,737,072 (operations, debt, specific ownership)
2021: \$1,515,795 (operations, debt, specific ownership)
2020: \$1,407,158 (operations, debt, specific ownership)
2019: \$830,571 (operations, debt, specific ownership)
2018: \$836,795 (operations, debt, specific ownership)
2017: \$904,843 (operations, debt, specific ownership)
2016: \$876,662 (operations, debt, specific ownership)

**unaudited*

24. **For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Service Plan). If Service Plan estimates are not available, indicate the same and report actual taxes:**

	2023	2022	2021	2020	2019	2018	2017	2016
Actual	\$1,853,714*	\$1,737,072	\$1,515,795	\$1,407,158	\$830,571	\$836,795	\$904,843	\$876,662
Service Plan Est.**	\$1,572,602	\$1,572,602	\$1,541,767	\$1,541,767	\$1,511,537	\$1,511,537	\$1,481,898	\$1,481,898

**unaudited*

***Service Plan estimates set forth debt service tax collections but not general operations collections.*

25. **Most recently filed audited financial statements of the District. To the extent audited financial statements are required by state law or most recently filed audit exemption:** The District's Audited Financial Statements for 2023 have not been completed but, upon completion, will be forwarded to the County for attachment hereto as Exhibit B.

26. **Detail issued debt (individual issuances with schedule of service until retired):** The District issued its Series 2018 Limited Tax General Obligation Refunding Bonds ("Series 2018 Bonds") in the par amount of \$19,330,000 in March 2018 for the purpose of refunding in full its Series 2007A Limited Tax General Obligation Bonds ("Series 2007A Bonds") at a lower interest rate. The Series 2018 Bonds are scheduled to be paid in full in December 2047.

27. **Detail individually authorized but unissued debt (include election issue name and date):** The District's eligible electors have authorized indebtedness as set forth in Exhibit C of the 2009 Annual Report. The Service Plan currently limits debt to \$19,350,000.

28. **Compare debt issuance and currently outstanding debt to the maximum authorized debt level as stipulated in the Service Plan:** Debt issued: \$19,350,000; current maximum authorized debt: \$19,350,000.

29. **Summarize the history of debt issuance, including refunding and refinancing of debt:** The District issued its Series 2007A Bonds in the principal amount of \$19,350,000 with a maturity date of thirty (30) years in August 2007. The District refunded the 2007A Bonds in full in March 2018 by issuance of the Series 2018 Bonds. See response in item VI.B.

30. **Estimated Amount of Additional General Obligation Debt to be Issued by District between End of Current Year and 100% Build-Out:** N/A.

31. **Notice of any uncured defaults:** None.

32. **The District's inability to pay any financial obligations as they come due under any obligation which continues beyond a ninety-day period:** None.

Respectfully submitted this 1st day of July, 2024.

REATA SOUTH METROPOLITAN DISTRICT

By:  DocuSigned by:
59C04753350A404...
Chair

Attest:


 DocuSigned by:
D87DA8A243084C6...
Secretary

EXHIBIT A

2024 Budget

REATA SOUTH METROPOLITAN DISTRICT
2024
BUDGET MESSAGE

Attached please find a copy of the adopted 2024 budget for the Reata South Metropolitan District.

The Reata South Metropolitan District has adopted three funds, a General Fund to provide for operating and maintenance expenditures; a Capital Projects Fund to provide for the regional improvements that are to be built for the benefit of the District and a Debt Service Fund to provide for payments on the general obligation bonds.

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the district in 2024 will be property taxes and operating service fees. The district intends to impose a 62.412 mill levy on the property within the district in 2024, of which 5.411 mills will be dedicated to the General Fund and the balance of 57.001 mills will be allocated to the Debt Service Fund.

Reata South Metropolitan District
Adopted Budget
General Fund
For the Year Ended December 31, 2024

	Actual 2022	Adopted Budget 2023	Actual 06/30/23	Estimated 2023	Adopted Budget 2024
Beginning fund balance	\$ 1,215,866	\$ 2,675,352	\$ 2,675,352	\$ 2,675,352	\$ 2,760,198
District Revenues:					
Property taxes	145,076	156,374	142,022	156,374	186,592
Specific ownership taxes	12,829	9,448	7,248	9,448	11,261
Interest Income	54,628	10,000	85,677	128,516	100,000
Operating service fee	706,864	750,970	375,993	750,970	789,700
Sale of open space land	1,405,277	85,000	85,000	85,000	-
Miscellaneous income	-	500	35	150	500
Total Revenues	2,324,674	1,012,292	695,975	1,130,457	1,088,053
Total Funds Available	3,540,540	3,687,644	3,371,327	3,805,809	3,848,251
Expenditures:					
Accounting	24,621	26,000	13,297	26,594	26,000
Audit	5,250	5,000	-	8,000	8,500
Election expenses	-	10,000	-	-	-
Legal	31,062	25,000	24,082	48,164	30,000
Legal - Special projects	11,923	3,000	-	3,000	15,000
Security Personnel	269,965	296,198	144,863	320,000	323,957
District manager	98,654	101,889	48,705	101,889	104,946
Payroll taxes	30,222	30,454	15,973	30,454	32,811
Payroll processing fee	7,145	8,000	3,603	7,206	8,000
Workers' comp insurance	17,314	15,378	16,040	16,040	12,167
Security equip/supplies	7,468	7,800	3,541	11,800	13,300
Access control operating system	21,387	25,650	14,576	24,286	24,600
Vehicle expense payments	7,425	7,500	3,713	7,426	10,130
Fuel/repair/equip	8,551	9,000	5,319	10,638	9,000
Building maintenance	11,158	7,000	2,447	7,000	8,000
Landscape maintenance - entries	20,568	24,120	7,003	20,900	29,300
Insurance (incl: vehicles)	14,192	15,231	15,231	15,231	16,000
Office expense	2,217	3,150	2,176	4,130	5,500
Website	-	1,620	-	1,620	2,400
Utilities - electric	10,954	11,500	5,602	11,204	11,500
Utilities - locates	7,489	-	1,346	2,692	-
Utilities - cell phone	2,358	2,200	1,088	2,176	2,200
Utilities - irrigation water	7,087	9,000	1,019	8,000	10,000
Gate repair & maintenance	16,158	6,500	9,410	10,390	15,000
Monument maintenance	5,530	6,500	-	6,500	6,500
Miscellaneous	2,686	1,000	383	766	1,000
Fence repair & replacement	-	5,000	5,096	5,096	5,000
Pest control	43,193	85,600	46,977	84,110	58,400
Landscape improvements	9,832	10,000	1,502	10,000	5,000
Weed control:					
Mowing	11,900	16,500	6,020	12,180	16,500
Spraying	6,673	7,000	8,258	8,707	8,000
Sidewalk repair & maintenance	10,052	27,000	25,664	25,664	10,000
Curb, gutter and pavers repair	1,548	5,000	-	2,100	5,000
Lake erosion project	-	20,260	-	22,000	-
Streets-sweeping & maintenance	41,944	43,800	42,913	43,191	55,000
Streets-snow removal	56,745	30,000	24,822	40,000	35,000
Storm Drain Maintenance/Erosion Control	2,971	4,000	5,359	11,221	10,000
Trail maintenance	15,005	5,000	5,000	5,000	15,000
Lake maintenance	20,901	27,000	17,166	27,000	28,000
Memberships-Special Districts Pool	854	1,000	899	899	1,000
Treasurer fees	2,186	2,347	2,131	2,347	2,800
Sub-Total Expenditures	865,188	948,197	531,224	1,005,621	980,511
Contingency	-	213,317	-	-	312,097
Transfer to Capital Fund	-	-	-	39,990	100,000
Emergency reserve	-	28,375	-	-	29,331
Total Expenditures	865,188	1,189,889	531,224	1,045,611	1,421,939
Ending Fund Balance	\$ 2,675,352	\$ 2,497,754	\$ 2,840,103	\$ 2,760,198	\$ 2,426,311
Maintenance Reserve		\$ 2,406,311			\$ 2,426,311
Assessed Valuation		\$ 28,899,210			\$ 34,483,760
Mill Levy		5.411			5.411

Reata South Metropolitan District
Adopted Budget
Capital Projects Fund

	Actual 2022	Adopted Budget 2023	Actual 06/30/23	Estimated 2023	Adopted Budget 2024
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Transfer from General Service Fund	-	-	-	39,990	100,000
Total Revenues	-	-	-	39,990	100,000
Total Funds Available	-	-	-	39,990	100,000
Expenditures:					
Capital Expenditures	-	-	-	39,990	100,000
Total Expenditures	-	-	-	39,990	100,000
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

**Reata South Metropolitan District
Adopted Budget
Debt Service Fund**

	Actual 2022	Adopted Budget 2023	Actual 06/30/23	Estimated 2023	Adopted Budget 2024
Beginning fund balance	\$ 2,039,699	\$ 2,646,750	\$ 2,646,750	\$ 2,646,750	\$ 3,293,581
Revenues:					
Property taxes	1,450,866	1,564,141	1,420,584	1,564,141	1,965,609
Specific ownership taxes	128,301	94,497	72,506	94,497	118,586
Facility fees	68,000	-	2,000	2,000	-
Interest income	40,621	5,000	50,016	75,024	120,000
Total Revenues	1,687,788	1,663,638	1,545,106	1,735,662	2,204,195
Total Funds Available	3,727,487	4,310,388	4,191,856	4,382,412	5,497,776
Expenditures:					
Series 2018-interest	1,055,369	1,055,369	527,684	1,055,369	1,055,369
Paying agent/Trustee fees	3,500	10,000	3,500	10,000	10,000
County Treasurer fees	21,868	23,462	21,322	23,462	29,484
Total Expenditures	1,080,737	1,088,831	552,506	1,088,831	1,094,853
Ending Fund Balance	\$ 2,646,750	\$ 3,221,557	\$ 3,639,350	\$ 3,293,581	\$ 4,402,923
Assessed valuation		<u>\$ 28,899,210</u>			<u>\$ 34,483,760</u>
Mill Levy		<u>54.124</u>			<u>57.001</u>
		<u>59.535</u>			<u>62.412</u>

EXHIBIT B

Audited Financial Statements [To Be Filed Subsequently]