

**REATA RIDGE VILLAGE METROPOLITAN DISTRICT NOS. 1 & 2
2017 CONSOLIDATED ANNUAL REPORT
TO
THE TOWN OF PARKER**

Pursuant to the Consolidated Service Plan for Reata Ridge Village Metropolitan District Nos. 1 & 2 (each a “District” and collectively, the “Districts”), and in accordance with §32-1-207(3)(c), C.R.S., the Districts are required to submit an annual report with the Town Clerk not later than September 1st of each calendar year, which annual report shall reflect activity and financial events of the Districts through the preceding December 31 (the “report year”).

A. A narrative summary of the progress of the Districts in implementing the Service Plan for the report year;

The Districts continue to make progress in the implementation of their service plan. The Developer has completed the construction of all public improvements and they are in the process of preparing cost certifications to be approved by the Districts.

B. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (*i.e.*, balance sheet) as of December 31 of the report year and the statement of operations (*i.e.*, revenues and expenditures) for the report year;

A copy of the 2017 audit exemption approval letters for the Districts are attached hereto as **Exhibit A**.

C. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year;

A copy of the 2017 budget for District No. 1 is attached hereto as **Exhibit B**, District No. 2 was not organized in 2017 and therefor did not adopt a budget for 2017. A copy of the Districts’ 2018 budgets are attached hereto as **Exhibit C**. At this point it is undetermined whether the development of any public improvements will be undertaken by the Districts beyond anything set forth in the 2018 budgets.

D. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new

Districts indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year and the current mill levy of the Districts pledged to debt retirement in the report year;

The Districts did not issue any debt in 2017, and currently have no outstanding indebtedness.

Assessed Valuation of all taxable property within the Districts for the report year, as certified by the Douglas County Assessor:

District No. 1:	\$792,160
District No. 2:	\$869,410

The current mill levy of the Districts pledged to debt retirement in the report year is:

District No. 1:	0.000 mills
District No. 2:	0.000 mills

E. The District's budget for the calendar year in which the annual report is submitted;

A copy of the Districts' 2018 budgets are attached hereto as **Exhibit C**.

F. A summary of the residential and commercial development in the Districts for the report year;

There was no commercial or residential development in the Districts in 2017.

F. A summary of all fees, charges and assessments imposed by the Districts as of January 1 of the report year;

The Districts did not impose any fees, charges or assessments in 2017.

G. Certification of the Boards that no action, event or condition enumerated in Town Code section 10.11.060 has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan allows such event has been approved by Town Council; and

To the best of our knowledge, no action, event or condition enumerated in Town Code section 10.11.060 occurred in 2017.

H. The name, business address and telephone number of each member of the Boards and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Boards;

DISTRICT NOS. 1 & 2 BOARD MEMBERS

Molly Dixon, Director 8231 East Prentice Ave., Greenwood Village, CO 80111 720-529-2858	John Jagger, Director 8231 East Prentice Ave., Greenwood Village, CO 80111 720-529-2826
Mark DeRose, Director 8231 East Prentice Ave., Greenwood Village, CO 80111 720-529-2828	

GENERAL COUNSEL:

Clint C. Waldron, Esq.
White Bear Ankele Tanaka & Waldron
Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, CO 80122
303-858-1800

REGULAR MEETINGS:

November 13, 2018 at 10:00 a.m., at 8231 E. Prentice Ave., Greenwood Village, Colorado 80111.

I. Certification from the External Financial Advisor that the Districts is in compliance with all provisions of the Service Plan;

The Districts did not engage an External Financial Advisor during 2017 because it did not issue any Privately Placed Debt for which an External Financial Advisor is required under the Service Plan.

J. A copy of the most recent notice issued by the Districts, pursuant to Section 32-1-809, C.R.S.;

A copy of the most recent notices issued by the Districts are attached hereto as **Exhibit D**.

EXHIBIT A

2017 AUDIT EXEMPTION APPROVAL LETTERS



July 12, 2018

Board Of Directors
Reata Ridge Village Metropolitan District No. 1
2154 E. Commons Ave. Suite 2000
Centennial, CO 80122

RE: 1273.01

To Whom it May Concern:

We have reviewed the Application for Exemption from Audit of Reata Ridge Village Metropolitan District No. 1. Based on our review, the December 31, 2017 Application for Exemption from Audit has been approved. We noted the following item that we believe deserves your attention:

The Application demonstrates that expenditures exceeded amounts budgeted and appropriated for the current year in the General Fund. Because spending in excess of amounts budgeted and appropriated may be a violation of the Local Government Budget Law (Section 29-1-110, C.R.S.), we urge you to carefully review the Budget Law to be sure its requirements are complied with in the future.

If we may be of any assistance to you, please feel free to call us at 303-869-3000. For further resources see our web site at: www.colorado.gov/auditor

Sincerely,

Crystal L. Dorsey, CPA
Local Government Audit Manager

cc: Colorado Department of Local Affairs
Division of Local Government



We Set the Standard for Good Government



July 12, 2018

Board of Directors
Reata Ridge Village Metropolitan District No. 2
2154 E. Commons Ave. Suite 2000
Centennial, CO 80122

RE: 1273.02

To Whom it May Concern:

We have reviewed the Application for Exemption from Audit of Reata Ridge Village Metropolitan District No. 2. Based on our review, the December 31, 2017 Application for Exemption from Audit has been approved. We noted the following items that we believe deserve your attention:

The Application demonstrates that expenditures exceeded amounts budgeted and appropriated for the current year in the General Fund. Because spending in excess of amounts budgeted and appropriated may be a violation of the Local Government Budget Law (Section 29-1-110, C.R.S.), we urge you to carefully review the Budget Law to be sure its requirements are complied with in the future.

If we may be of any assistance to you, please feel free to call us at 303-869-3000. For further resources see our web site at: www.colorado.gov/auditor

Sincerely,

Crystal L. Dorsey, CPA
Local Government Audit Manager

cc: Colorado Department of Local Affairs
Division of Local Government



We Set the Standard for Good Government

EXHIBIT B

2017 BUDGET

(District No. 1)

REATA RIDGE VILLAGE METROPOLITAN DISTRICT NO. 1
2017
BUDGET MESSAGE

Attached please find a copy of the adopted 2017 budget for the Reata Ridge Village Metropolitan District No. 1.

The Reata Ridge Village Metropolitan District No. 1 has adopted one fund, a General Fund to provide for the payment of general operating expenditures.

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 2017 will be developer advances and property taxes. The District intends to impose a 42.827 mill levy on the property within the District for 2017.

Reata Ridge Village Metropolitan District No. 1
Adopted Budget
General Fund
For the Year ended December 31, 2017

	Proposed Budget <u>2016</u>	Actual 6/30/2016	Estimated 2016	Adopted Budget <u>2017</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Revenues:				
Property taxes	-	-	-	10,952
Specific ownership taxes	-	-	-	876
Developer advances	25,000	-	-	13,172
Miscellaneous Income	-	-	-	-
Interest income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	25,000	-	-	25,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds available	25,000	-	-	25,000
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Accounting / audit	4,500	-	-	4,500
Legal	15,000	-	-	15,000
Insurance	2,600	-	-	2,600
Engineering	-	-	-	-
Miscellaneous	1,000	-	-	1,000
Treasurer's Fees	-	-	-	164
Contingency	1,207	-	-	1,038
Emergency reserve (3%)	693	-	-	698
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	25,000	-	-	25,000
	<hr/>	<hr/>	<hr/>	<hr/>
Ending fund balance	\$ -	\$ -	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Assessed valuation	-			255,720
Mill Levy	-			42.827
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EXHIBIT C
2018 BUDGETS

REATA RIDGE VILLAGE METROPOLITAN DISTRICT NO. 1
2018
BUDGET MESSAGE

Attached please find a copy of the adopted 2018 budget for the Reata Ridge Village Metropolitan District No. 1.

The Reata Ridge Village Metropolitan District No. 1 has adopted one fund, a General Fund to provide for the payment of general operating expenditures.

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 source of revenue for the District in 2018 will be property taxes. The District intends to impose a 42.827 mill levy on the property within the District for 2018.

Reata Ridge Village Metropolitan District No. 1
Adopted Budget
General Fund
For the Year ended December 31, 2018

	Actual <u>2016</u>	Adopted Budget <u>2017</u>	Actual <u>7/31/2017</u>	Estimated <u>2017</u>	Adopted Budget <u>2018</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	-	10,952	10,952	10,952	33,926
Specific ownership taxes	-	876	562	876.00	2,714
Developer advances	-	13,172	45,481	54,527	-
Miscellaneous Income	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>-</u>	<u>25,000</u>	<u>56,995</u>	<u>66,355</u>	<u>36,640</u>
Total funds available	<u>-</u>	<u>25,000</u>	<u>56,995</u>	<u>66,355</u>	<u>36,640</u>
Expenditures:					
Accounting / audit	-	4,500	4,116	6,042	8,000
Legal	-	15,000	41,336	48,770	15,000
Insurance	-	2,600	3,666	3,666	2,600
Dues	-	-	175	175	175
Miscellaneous	-	1,000	4,063	4,063	1,000
Professional fees	-	-	3,475	3,475	-
Treasurer's Fees	-	164	164	164	509
Contingency	-	1,038	-	-	8,537
Emergency reserve (3%)	-	698	-	-	819
Total expenditures	<u>-</u>	<u>25,000</u>	<u>56,995</u>	<u>66,355</u>	<u>36,640</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation	<u>-</u>	<u>255,720</u>			<u>792,160</u>
Mill Levy	<u>-</u>	<u>42.827</u>			<u>42.827</u>

REATA RIDGE VILLAGE METROPOLITAN DISTRICT NO. 2
2018
BUDGET MESSAGE

Attached please find a copy of the adopted 2018 budget for the Reata Ridge Village Metropolitan District No. 2.

The Reata Ridge Village Metropolitan District No. 2 has adopted one fund, a General Fund to provide for the payment of general operating expenditures.

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 2018 will be property taxes and developer advances. The District intends to impose a 50.000 mill levy on the property within the District for 2018.

Reata Ridge Village Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2018

	Actual <u>2015</u>	Proposed Budget <u>2016</u>	Actual <u>7/31/2017</u>	Estimated <u>2017</u>	Adopted Budget <u>2018</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	-	-	-	-	43,471
Specific ownership taxes	-	-	-	-	3,478
Developer advances	-	25,000	-	-	21,051
Miscellaneous Income	-	-	-	-	-
Interest income	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>68,000</u>
Total funds available	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>68,000</u>
Expenditures:					
Accounting / audit	-	4,500	-	-	6,000
Legal	-	15,000	-	-	46,000
Insurance	-	2,600	-	-	4,000
Dues	-	-	-	-	650
Miscellaneous	-	1,000	-	-	4,900
Professional fee	-	-	-	-	3,475
Treasurer's Fees	-	-	-	-	652
Contingency	-	1,207	-	-	353
Emergency reserve (3%)	-	693	-	-	1,970
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>68,000</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>-</u>			<u>869,410</u>
Mill Levy		<u>-</u>			<u>50.000</u>

EXHIBIT D
809 DISCLOSURE NOTICE

Reata Ridge Village Metropolitan District No. 1, Town of Parker, Douglas County, Colorado

Disclosure Notice Pursuant to §32-1-809, C.R.S.

REQUESTED INFORMATION

RESPONSE

Address and telephone number of the principal business office	c/o WHITE BEAR ANKELE TANAKA & WALDRON Attorneys at Law 2154 E. Commons Ave., Suite 2000 Centennial, CO 80122 303-858-1800	
Name and business telephone number of the manager or other principal contact person for the District/board member contact information	Kristen D. Bear, Esq. WHITE BEAR ANKELE TANAKA & WALDRON 2154 E. Commons Ave., Suite 2000 Centennial, CO 80122 Phone: 303-858-1800 Email: kbear@wbapc.com	
Board members and re-election status of those members whose office will be on the ballot at the next regular election on May 8, 2018 *on ballot at the next regular election	Molly Dixon	(term expires 2020)
	John Jagger	(term expires 2020)
	Mark DeRose	(term expires 2020)
	VACANT	(term expires 2018)*
	VACANT	(term expires 2018)*
Regular meeting schedule and the place where notice of board meetings is posted pursuant to §24-6-402(2)(c), C.R.S.	The regular meeting is scheduled for November 13, 2018, at 10:00 a.m. at 8231 E. Prentice Ave., Greenwood Village, Colorado. Notices of board meetings are posted at the north side of Stroh Road across from Preservation Trail Road.	
Current mill levy (2017), for collection in 2018	42.827 mills - (general fund) 0.000 mills - (debt service fund) 0.000 mills - (capital projects fund)	
Total ad valorem tax revenue received during the last year (2017)	\$10,952 (unaudited)	
Date of the next regular special district election of board members	May 8, 2018	
Procedure and timing to submit a self-nomination form for election to the Board(s) pursuant to §1-13.5-303, C.R.S. : Pursuant to §1-13.5-303, C.R.S. any person interested in being a candidate for the Board must submit a self-nomination and acceptance form signed by the candidate and by a registered elector of the state as a witness to the candidate. On the date of signing the self-nomination form, the person desiring to serve on the Board must be an eligible elector of the District. The form or letter must be filed no earlier than January 1 and no later than the sixty-seventh (67 th) day before the date of the next regular special district election. The form is filed with the Designated Election Official, or if none has been designated, the presiding officer or the secretary of the District at the address above. This form may be obtained by contacting the District's general counsel at (303) 858-1800. In place of the form, the candidate may submit a letter signed by the candidate and a registered elector of the state as witness to the signature of the candidate. Both the form and letter must state the following information: (1) name of the special district; (2) director office sought; (3) term of office sought; (4) date of the election; (5) full name of the candidate as it is to appear on the ballot; and (6) whether the candidate is a member of an executive board of a unit owners' association, as defined in §38-33.3-103, C.R.S., located within the boundaries of the District. An amended self-nomination form may be submitted at any time prior to 5:00 p.m. on the sixty-seventh (67 th) day before the election.	None.	
	Information on the procedure to apply for permanent absentee voter status as described in §1-13.5-1003, C.R.S.	A permanent absentee voter status request form may be obtained by contacting the District's general counsel at (303) 858-1800.

Reata Ridge Village Metropolitan District No. 2, Town of Parker, Douglas County, Colorado

Disclosure Notice Pursuant to §32-1-809, C.R.S.

REQUESTED INFORMATION

RESPONSE

Address and telephone number of the principal business office	c/o WHITE BEAR ANKELE TANAKA & WALDRON Attorneys at Law 2154 E. Commons Ave., Suite 2000 Centennial, CO 80122 303-858-1800	
Name and business telephone number of the manager or other principal contact person for the District/board member contact information	Kristen D. Bear, Esq. WHITE BEAR ANKELE TANAKA & WALDRON 2154 E. Commons Ave., Suite 2000 Centennial, CO 80122 Phone: 303-858-1800 Email: kbear@wbapc.com	
Board members and re-election status of those members whose office will be on the ballot at the next regular election on May 8, 2018 *on ballot at the next regular election	Molly Dixon	(term expires 2020)
	John Jagger	(term expires 2020)
	Mark DeRose	(term expires 2020)
	VACANT	(term expires 2018)*
	VACANT	(term expires 2018)*
Regular meeting schedule and the place where notice of board meetings is posted pursuant to §24-6-402(2)(c), C.R.S.	The regular meeting is scheduled for November 13, 2018, at 10:00 a.m. at 8231 E. Prentice Ave., Greenwood Village, Colorado. Notices of board meetings are posted at the northeast corner of the intersection at S. Parker Road and Stroh Road.	
Current mill levy (2017), for collection in 2018	50.000 mills - (general fund) 0.000 mills - (debt service fund) 0.000 mills - (capital projects fund)	
Total ad valorem tax revenue received during the last year (2017)	\$0 (unaudited)	
Date of the next regular special district election of board members	May 8, 2018	
Procedure and timing to submit a self-nomination form for election to the Board(s) pursuant to §1-13.5-303, C.R.S. :	Pursuant to §1-13.5-303, C.R.S. any person interested in being a candidate for the Board must submit a self-nomination and acceptance form signed by the candidate and by a registered elector of the state as a witness to the candidate. On the date of signing the self-nomination form, the person desiring to serve on the Board must be an eligible elector of the District. The form or letter must be filed no earlier than January 1 and no later than the sixty-seventh (67 th) day before the date of the next regular special district election. The form is filed with the Designated Election Official, or if none has been designated, the presiding officer or the secretary of the District at the address above. This form may be obtained by contacting the District's general counsel at (303) 858-1800. In place of the form, the candidate may submit a letter signed by the candidate and a registered elector of the state as witness to the signature of the candidate. Both the form and letter must state the following information: (1) name of the special district; (2) director office sought; (3) term of office sought; (4) date of the election; (5) full name of the candidate as it is to appear on the ballot; and (6) whether the candidate is a member of an executive board of a unit owners' association, as defined in §38-33.3-103, C.R.S., located within the boundaries of the District. An amended self-nomination form may be submitted at any time prior to 5:00 p.m. on the sixty-seventh (67 th) day before the election.	
Address of any website on which the special district's election results will be posted	None.	
Information on the procedure to apply for permanent absentee voter status as described in §1-13.5-1003, C.R.S.	A permanent absentee voter status request form may be obtained by contacting the District's general counsel at (303) 858-1800.	