

REATA SOUTH METROPOLITAN DISTRICT

2022 ANNUAL REPORT

(For Activities Completed in 2021 Fiscal Year with Information about Prospective Years)

I. District Description - General Information

A. *Board members, officers' titles and terms:*

Gary Reece, President, term expires May 2025
Brian J. Thorsen, Secretary, term expires May 2023
Nathaniel Sears, Treasurer, term expires May 2025
Charlene Sloan, Vice President/Assistant Secretary/Treasurer,
term expires May 2023
J. Reed Smith, Vice President/Assistant Secretary/Treasurer,
term expires May 2025

B. *Changes in Board membership in past year:*

Nathaniel Sears, Gary Reece and J. Reed Smith were elected at the May 3, 2022 regular special district election for terms ending in May 2025.

C. *Name and address of official contact for District:*

Paul R. Cockrel
Cockrel Ela Glesne Greher & Ruhland, P.C.
44 Cook Street, Suite 620
Denver, CO 80206

D. *Elections held in the past year and their purpose:*

The May 3, 2022 regular special district election for directors was held. No other election has been held.

II. Boundary changes for the report year and proposed changes for coming year:

No boundary changes were made in 2021, and no boundary changes are anticipated in 2022.

III. List of IGAs (existing or proposed) and brief description of each detailing financial and service arrangement:

1. 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.

2. 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.

3. 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.

4. 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.

5. 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

A. *Contracts for operations, debt, and other contractual obligations with sub districts or operating and taxing sister districts:*

None.

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

1. 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.

2. 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).

3. 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).

IV. Service Plan

A. *List and description of services authorized in Service Plan:*

- Street
- Traffic and safety controls
- Drainage
- Sanitation
- Water
- Park and recreation
- Mosquito control
- Security services
- Covenant enforcement and design review

B. *List and cost estimate of facilities authorized in Service Plan:*

	<u>Service Plan</u>	<u>Actual Cost</u>
Street improvements	\$4,637,414	\$11,423,201
Water improvements	\$1,773,766	\$5,741,947
Sanitary sewer improvements	\$1,581,425	\$4,557,804
Drainage improvements	\$1,211,900	\$3,016,645
Trail system	\$1,050,000	\$1,818,284
Engineering	\$1,538,176	\$2,309,381
Contingencies	\$1,538,176	\$303,162

C. *List and description of any extraterritorial (outside the boundaries of the District) services, facilities and agreements:*

None.

V. Development Progress

A. *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, 2021, 177 of 179 lots had been conveyed by the original developer.

B. *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, 2021, 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.

C. *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 does not plan to make any changes at the present time.

D. *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 V.B.

E. *List facilities not completed; indicate why; indicate revised schedule, if any:*

See response to item V.B.

F. *List facilities under construction with percentage complete and anticipated date of completion:*

See response to item V.B.

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

Previous 5 years: approximately 150 +/-; projected 5 years: approximately 350 +/-

H. *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.*

134 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, 2021, 72 +/- residential units and 27 Lifestyle Homes have been completed and the golf clubhouse and pool has been completed. The 2009 Annual Report sets forth the state of completion of other facilities.

I. ***List any enterprises created by and/or operated by or on behalf of the District, and summarize the purpose of each:***

None.

VI. Financial Plan and Financial Activities

A. ***Show revenues, expenditures: previous 5 years plus projected 5 years. Include any non-district or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of each. Show other miscellaneous tax revenue, such as specific ownership taxes. For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation):***

The District's first full budget year was 2006. A copy of the District's Application for Exemption From Audit for the year ended December 31, 2006, as accepted by the State Auditor was filed with the Annual Report for 2006. The District's Audited Financial Statements for 2007 through 2020 were previously forwarded to the County. The District's Audited Financial Statements for 2021 have not been completed but, upon completion, will be forwarded to the County for attachment hereto as Exhibit A.

B. ***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.

C. ***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.

D. ***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.

E. *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.

F. *Enterprises of the District:*

None.

1. *Revenues of the enterprise, showing both direct support from the District and all other sources.*

N/A

2. *Expenses of the enterprise, showing both direct payments to the District and all other obligations.*

N/A

G. *Detail contractual obligations:*

None.

1. *Report any inability of the District to pay current obligations (due within current budget year).*

None.

2. *Describe any notice of any District financial obligations in default.*

None.

H. ***Actual and Assessed Valuation History:***

1. *Report annual actual and assessed valuation for current year and for each of seven years prior to current year.*

	<u>Actual Valuation</u>	<u>Assessed Valuation</u>
2014	\$82,038,659	\$14,237,820
2015	\$88,360,399	\$14,596,390
2016	\$94,890,366	\$14,827,420
2017	\$112,710,065	\$13,063,460
2018	\$130,275,939	\$14,312,600
2019	\$189,700,509	\$22,372,410
2020	\$215,631,840	\$23,756,390
2021	\$255,239,066	\$27,264,750

2. *For each year, compare the certified assessed value with the Service Plan estimate for that year (if provided in Plan). If Service Plan estimates are not available, indicate the same and report certified value.*

	<u>Certified Assessed Value</u>	<u>Service Plan Estimates</u>
2014	\$14,237,820	\$25,246,935
2015	\$14,596,390	\$28,782,889
2016	\$14,827,420	\$29,840,812
2017	\$13,063,460	\$30,437,628
2018	\$14,312,600	\$30,437,628
2019	\$22,372,410	\$31,046,380
2020	\$23,756,390	\$31,046,380
2021	\$27,264,750	\$31,667,308

I. Mill Levy History

1. 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):

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2021</u>	<u>2022</u>
General operations	5	5	5	5	5	5.266	5.291	5.274	5.305
G.O. Bonds	50	50	50	50	50	52.664	52.916	52.743	53.054
Contractual obligations	0	0	0	0	0	0	0	0	0
Capital expenditures	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0

2. 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:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2021</u>	<u>2022</u>
Actual	55	55	55	55	57.930	58.207	58.017	58.359
Service Plan estimate	55	55	55	55	55	55	55	55

J. Miscellaneous Taxes History:

1. 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):

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)
 2015: \$858,374 (operations, debt, specific ownership)
 2014: \$841,759 (operations, debt, specific ownership)

2. 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:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actual (unaudited)	\$841,759	\$858,374	\$876,662	\$904,843	\$836,795	\$830,571	\$1,407,158	\$1,515,795
Service Plan estimate *	\$1,401,336	\$1,452,842	\$1,481,896	\$1,481,896	\$1,511,537	\$1,511,537	\$1,617,191	\$1,618,797

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

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


1. Provide updated estimate based on current events:
Not presently known because of market conditions.
2. Compare with Service Plan estimate (if provided in Service Plan):
\$31,667,308

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

1. Provide updated estimate based on current events:
Not presently known.
2. Do not include Refunding Bonds:
None.

Dated as of June 29, 2022.

REATA SOUTH METROPOLITAN DISTRICT

By: 
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Cockrel Ela Glesne Greher & Ruhland, P.C.
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cc: Board of Directors, Reata South Metropolitan District

EXHIBIT A

**AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING
DECEMBER 31, 2021**

[To Be Filed Subsequently]