

## **SADDLE ROCK SOUTH METROPOLITAN DISTRICT NOS. 2-4**

### **2022 CONSOLIDATED ANNUAL REPORT TO THE CITY OF AURORA**

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Pursuant to Section VI.B. of the Consolidated Service Plan for Saddle Rock South Metropolitan District Nos. 1-3 dated August 11, 1995, as amended by that certain First Amendment to the Consolidated Service Plan of Saddle Rock South Metropolitan District Nos. 1-4 dated September 2, 1998 (collectively, the “Service Plan”), the Saddle Rock South Metropolitan District Nos. 1-4 are required to provide an annual report to the City of Aurora (the “City”) with regard to the matters indicated below. As part of the formation of the Saddle Rock South Authority (the “Authority”) on July 25, 2019, District No. 1 dissolved and the Authority was created to assume the operations, maintenance, and administrative responsibilities; therefore, this annual report is being provided for the Saddle Rock South Metropolitan District Nos. 2-4 (individually District No. 2, District No. 3, District No. 4, and collectively, the “Districts”).

- A. Boundary changes made or proposed.
- B. Intergovernmental Agreements with other governmental bodies entered into or proposed.
- C. Changes or proposed changes in the Districts’ policies.
- D. Changes or proposed changes in the Districts’ operations.
- E. Any changes in the financial status of the Districts including revenue projections, or operating costs.
- F. A summary of any litigation which involves the Districts.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of Public Improvement Construction Schedule.
- I. Submission of current assessed valuation in the Districts.

**For the year ending December 31, 2022, the Districts make the following report:**

- A. Boundary changes made or proposed.

There were no boundary changes made or proposed in 2022.

- B. Intergovernmental Agreements with other governmental bodies entered into or proposed.

There were no intergovernmental agreements with other governmental bodies entered into or proposed in 2022.

C. Changes or proposed changes in the Districts' policies.

There were no changes or proposed changes in the Districts' policies in 2022.

D. Changes or proposed changes in the Districts' operations.

There have been no significant changes or proposed changes in the Districts' operations.

E. Any changes in the financial status of the Districts, including revenue projections or operating costs.

There were no significant changes in the financial status, revenue projections, or operating costs of the Districts during 2022.

F. A summary of any litigation which involves the Districts.

The Districts have no threatened or pending litigation as of the date of this report.

G. Proposed plans for the year immediately following the year summarized in the annual report.

The Districts have no proposed plans for construction of new public improvements as of the date of this report. The community is built-out and no other public improvements are anticipated at this time.

H. Status of Public Improvement Construction Schedule.

No public improvements were constructed by the Districts in 2022 nor are any planned for construction in 2023. The community is built-out and no other public improvements are anticipated at this time.

I. Submission of current assessed valuation in the Districts.

The Districts received 2022 certifications of valuation from the Arapahoe County Assessor as follows:

Saddle Rock South Metropolitan District No. 2	\$23,432,707
Saddle Rock South Metropolitan District No. 3	\$21,787,520
Saddle Rock South Metropolitan District No. 4	\$43,952,181

The 2023 adopted Budgets for the Districts are attached to this report as **Exhibit A**.

**EXHIBIT A**  
2023 Budgets for the Saddle Rock South Metropolitan District Nos. 2-4

**SADDLE ROCK SOUTH METROPOLITAN DISTRICT NO. 2**  
**2023**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2023 budget for the Saddle Rock South Metropolitan District No. 2.

The Saddle Rock South Metropolitan District No. 2 has adopted two funds, a General Fund to provide for transfers to Saddle Rock South Authority for the payment of operating expenditures, swimming pool services, general maintenance expenditures and transfers to the Capital Projects Fund; and a Debt Service Fund that provides for transfers to Saddle Rock South Metropolitan District No. 4 for payments on the outstanding debt.

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 2023 will be property and specific ownership taxes. The district intends to impose a 25.000 mill levy on property within the district for 2023, of which 14.000 mills will be dedicated to the General Fund and the balance of 11.000 mills will be allocated to the Debt Service Fund.

**Saddle Rock South Metropolitan District No. 2**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2023**

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 6,150	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	321,172	335,727	328,163	335,727	328,058
Specific ownership taxes	22,178	23,180	10,334	21,000	22,964
Interest income	<u>500</u>	<u>500</u>	<u>40</u>	<u>150</u>	<u>500</u>
Total revenues	<u>343,850</u>	<u>359,407</u>	<u>338,537</u>	<u>356,877</u>	<u>351,522</u>
Total funds available	<u>350,000</u>	<u>359,407</u>	<u>338,537</u>	<u>356,877</u>	<u>351,522</u>
Expenditures:					
Treasurer fees	4,813	5,031	4,923	5,036	4,921
Transfer to Authority	<u>345,187</u>	<u>354,376</u>	<u>333,614</u>	<u>351,841</u>	<u>346,601</u>
Total expenditures	<u>350,000</u>	<u>359,407</u>	<u>338,537</u>	<u>356,877</u>	<u>351,522</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 23,980,488</u>			<u>\$ 23,432,707</u>
Mill Levy		<u>14.000</u>			<u>14.000</u>

**Saddle Rock South Metropolitan District No. 2**  
**Adopted Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2023**

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 6,725	\$ 6,725	\$ 6,725	\$ 6,725	\$ -
Revenues:					
Property taxes	254,568	263,785	257,842	263,785	257,760
Specific ownership taxes	17,545	18,214	8,120	16,000	18,043
Interest income	<u>247</u>	<u>3,500</u>	<u>320</u>	<u>700</u>	<u>3,500</u>
Total revenues	<u>272,360</u>	<u>285,499</u>	<u>266,282</u>	<u>280,485</u>	<u>279,303</u>
Total funds available	<u>279,085</u>	<u>292,224</u>	<u>273,007</u>	<u>287,210</u>	<u>279,303</u>
Expenditures:					
Transfer to District #4	268,539	288,270	262,414	283,253	275,440
Treasurer fees	<u>3,821</u>	<u>3,954</u>	<u>3,868</u>	<u>3,957</u>	<u>3,863</u>
Total expenditures	<u>272,360</u>	<u>292,224</u>	<u>266,282</u>	<u>287,210</u>	<u>279,303</u>
Ending fund balance	<u>\$ 6,725</u>	<u>\$ -</u>	<u>\$ 6,725</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 23,980,488</u>			<u>\$ 23,432,707</u>
Mill Levy		<u>11.000</u>			<u>11.000</u>
TOTAL MILL LEVY		<u>25.000</u>			<u>25.000</u>

**SADDLE ROCK SOUTH METROPOLITAN DISTRICT NO. 3**  
**2023**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2023 budget for the Saddle Rock South Metropolitan District No. 3.

The Saddle Rock South Metropolitan District No. 3 has adopted two funds, a General Fund to provide for transfers to Saddle Rock South Authority for the payment of operating expenditures, swimming pool services, general maintenance expenditures and transfers to the Capital Projects Fund; and a Debt Service Fund that provides for transfers to Saddle Rock Metropolitan District No. 4 for payments on the outstanding debt.

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 2023 will be property taxes. The district intends to impose a 25.000 mill levy on property within the district for 2023, of which 14.000 mills will be dedicated to the General Fund and the balance of 11.000 mills will be allocated to the Debt Service Fund.

**Saddle Rock South Metropolitan District No. 3**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2023**

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	281,537	318,158	316,481	318,158	305,025
Specific ownership taxes	19,403	22,171	9,793	19,500	22,582
Interest income	<u>133</u>	<u>100</u>	<u>17</u>	<u>50</u>	<u>100</u>
Total revenues	<u>301,073</u>	<u>340,429</u>	<u>326,291</u>	<u>337,708</u>	<u>327,707</u>
Total funds available	<u>301,073</u>	<u>340,429</u>	<u>326,291</u>	<u>337,708</u>	<u>327,707</u>
Expenditures:					
Treasurer fee	4,225	4,771	4,747	4,772	4,592
Transfer to Dist #1 / Authority	<u>296,848</u>	<u>335,658</u>	<u>321,544</u>	<u>332,936</u>	<u>323,115</u>
Total expenditures	<u>301,073</u>	<u>340,429</u>	<u>326,291</u>	<u>337,708</u>	<u>327,707</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 22,725,562</u>			<u>\$ 21,787,520</u>
Mill Levy		<u>14.000</u>			<u>14.000</u>



**Saddle Rock South Metropolitan District No. 3**  
**Adopted Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2023**

	<u>Actual 2021</u>	<u>Adopted Budget 2022</u>	<u>Actual 6/30/2022</u>	<u>Estimate 2022</u>	<u>Adopted Budget 2023</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	221,208	249,981	248,664	249,981	239,663
Specific ownership taxes	15,245	17,420	7,695	15,000	17,743
Interest income	<u>174</u>	<u>700</u>	<u>264</u>	<u>600</u>	<u>700</u>
Total revenues	<u>236,627</u>	<u>268,101</u>	<u>256,623</u>	<u>265,581</u>	<u>258,106</u>
Total funds available	<u>236,627</u>	<u>268,101</u>	<u>256,623</u>	<u>265,581</u>	<u>258,106</u>
Expenditures:					
Transfer to District #4	233,308	264,354	252,893	261,831	254,498
Treasurer fees	<u>3,319</u>	<u>3,747</u>	<u>3,730</u>	<u>3,750</u>	<u>3,608</u>
Total expenditures	<u>236,627</u>	<u>268,101</u>	<u>256,623</u>	<u>265,581</u>	<u>258,106</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 22,725,562</u>			<u>\$ 21,787,520</u>
Mill Levy		<u>11.000</u>			<u>11.000</u>
TOTAL MILL LEVY		<u>25.000</u>			<u>25.000</u>

**SADDLE ROCK SOUTH METROPOLITAN DISTRICT NO. 4**  
**2023**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2023 budget for the Saddle Rock South Metropolitan District No. 4.

The Saddle Rock South Metropolitan District No. 4 has adopted two funds, a General Fund to provide for transfers to Saddle Rock South Authority for the payment of operating expenditures, swimming pool services, general maintenance expenditures and transfers to the Capital Projects Fund; and a Debt Service Fund that provides for payments on the outstanding debt.

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 2023 will be property taxes and transfers from Saddle Rock South Metropolitan Districts No. 2 and 3. The District intends to impose a 25.000 mill levy on property within the district for 2023, of which 14.000 mills will be dedicated to the General Fund and the balance of 11.000 mills will be allocated to the Debt Service Fund.

**Saddle Rock South Metropolitan District No. 4**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2023**

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	614,548	623,925	608,136	623,925	615,331
Specific ownership taxes	42,364	43,414	19,206	40,000	41,365
Interest income	<u>203</u>	<u>100</u>	<u>43</u>	<u>100</u>	<u>100</u>
Total revenues	<u>657,115</u>	<u>667,439</u>	<u>627,385</u>	<u>664,025</u>	<u>656,796</u>
Total funds available	<u>657,115</u>	<u>667,439</u>	<u>627,385</u>	<u>664,025</u>	<u>656,796</u>
Expenditures:					
Treasurer fee	9,221	9,348	9,123	9,359	9,206
Transfer to Dist #1 / Authority	<u>647,894</u>	<u>658,091</u>	<u>618,262</u>	<u>654,666</u>	<u>647,590</u>
Total expenditures	<u>657,115</u>	<u>667,439</u>	<u>627,385</u>	<u>664,025</u>	<u>656,796</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 44,566,067</u>			<u>\$ 43,952,181</u>
Mill Levy		<u>14.000</u>			<u>14.000</u>

**Saddle Rock South Metropolitan District No. 4**  
**Adopted Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2023**

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 286,845	\$ 316,942	\$ 358,737	\$ 358,737	\$ 484,957
Revenues:					
Property taxes	482,873	490,227	477,821	490,227	483,474
Specific ownership taxes	33,286	34,110	15,090	30,000	32,501
Interest/other income	506	14,000	2,384	6,000	8,000
Transfer from District 2	268,539	281,545	262,414	283,253	275,440
Transfer from District 3	<u>233,308</u>	<u>264,354</u>	<u>252,893</u>	<u>261,831</u>	<u>254,498</u>
Total revenues	<u>1,018,512</u>	<u>1,084,236</u>	<u>1,010,602</u>	<u>1,071,311</u>	<u>1,053,913</u>
Total funds available	<u>1,305,357</u>	<u>1,401,178</u>	<u>1,369,339</u>	<u>1,430,048</u>	<u>1,538,870</u>
Expenditures:					
Bond interest Series 2015	331,375	314,738	157,369	314,738	297,688
Bond principal Series 2015	605,000	620,000	-	620,000	640,000
Paying agent fees	3,000	3,000	3,000	3,000	3,000
Treasurer fees	<u>7,245</u>	<u>7,345</u>	<u>7,167</u>	<u>7,353</u>	<u>7,233</u>
Total expenditures	<u>946,620</u>	<u>945,083</u>	<u>167,536</u>	<u>945,091</u>	<u>947,921</u>
Ending fund balance	<u>\$ 358,737</u>	<u>\$ 456,095</u>	<u>\$ 1,201,803</u>	<u>\$ 484,957</u>	<u>\$ 590,949</u>
Assessed valuation		<u>\$ 44,566,067</u>			<u>\$ 43,952,181</u>
Mill Levy		<u>11.000</u>			<u>11.000</u>
TOTAL MILL LEVY		<u>25.000</u>			<u>25.000</u>