

SADDLE ROCK SOUTH METROPOLITAN DISTRICT NOS. 2-4

2023 CONSOLIDATED ANNUAL REPORT TO THE CITY OF AURORA

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, and District No. 4; 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, 2023, the Districts make the following report:

- A. Boundary changes made or proposed.
There were no boundary changes made or proposed in 2023.
- 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 2023.

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

On July 13, 2023, the Authority ratified updates to the Pool Rules and Regulations. A copy of the current Pool Rules and Regulations is attached to this report as **Exhibit A**.

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 2023.

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 2023 nor are any planned for construction in 2024. 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 2023 certifications of valuation from the Arapahoe County Assessor as follows:

Saddle Rock South Metropolitan District No. 2	\$29,069,706
Saddle Rock South Metropolitan District No. 3	\$26,317,881
Saddle Rock South Metropolitan District No. 4	\$53,050,707

The 2024 adopted Budgets for the Districts are attached to this report as **Exhibit B**.

EXHIBIT A
Pool Rules and Regulations

POOL RULES AND REGULATIONS SADDLE ROCK SOUTH AUTHORITY

1. **Pool Hours:** Pool hours are Monday–Sunday from 10:00 a.m. to 8:00 p.m. Both Pools will open on Memorial Day Weekend (May 27, 2023). The East Pool will close on September 4, 2023; the South Pool will close on September 17, 2023. Pool hours are subject to change without notice.
2. All users shall still be required to have a picture ID with them when using the facilities that shows a valid address within the community. Staff will have the right to do spot checks and can ask for you to show your access card and also your ID to verify community membership. Failure to provide this information when asked can mean suspension of your access rights and removal from the premises.
3. **No person 13 years of age and younger is allowed in the pool area unless accompanied by an adult over 18 years of age, or a minor aged 16-17 for whom a “minor release form” is on file with the Authority on which parents have expressly authorized their children to supervise other minors.** Children 14-17 may swim unsupervised after their parents turn in a “minor release form” to use the amenities without adult supervision. All minors will need to have a valid access card. If approved minors will be bringing guests that are between the ages of 14-17 without adult supervision, those minor guests will also need to have a “minor release form” on file with Authority management before access will be granted to the facilities.
4. **Children of non-swimming ability must be in direct contact with an adult in the water at all times.** Lifeguards have the authority to swim test all minors that are in the pool without adult supervision and may remove children from the pool area if they feel they are not capable of swimming on their own in a safe manner. Adult chaperones must be in the pool and within reach of all children aged 9-and-under who have not passed a lifeguard-administered swim test. **Adult chaperones are required to be in the pool area to supervise children aged 10-13**, but are not required to be in the water if the children can pass a lifeguard-administered swim test.
5. Swimmers are to supply their own towels and swimwear.
6. Toddler wading pool is for children 7 years old and under, a parent, legal guardian, or adult over the age of 18 must accompany each child. All children not potty trained must wear swim diapers beneath their bathing suits. No plastic, disposable or cloth diapers are permitted.
7. Each property shall be allowed five (5) guests per day for use of the pool. If you will have more than this number of guests attending the pool with you, prior approval from the Authority manager will be required.
8. Pool is for use by residents of Saddle Rock South Authority and their guests only.
9. All guests should wear proper attire when utilizing the swimming pool facility. No undergarments, cutoffs, or shorts (swimming suit shorts are allowed) will be allowed. All pool attire worn into the pool will be at the discretion of the lifeguards or other Authority personnel.
10. Animals (**except service animals**) are not allowed in the pool area. Pets may not be left outside the pool area unattended, or tied to the fence, at any time.

11. Food and drink (non-alcoholic) are permitted in the pool area. **No glass** containers are allowed in or around the pool area. Only plastic and paper containers may be used. User must clean up after themselves. **ALCOHOL IS PROHIBITED IN THE POOL AREA AT ALL TIMES.** Failure to adhere to this rule may cause loss of pool privileges.
12. No running, shoving, dunking, rough play, or excessive noise is allowed in the pool or locker room area. **FOUL, ABUSIVE OR LOUD LANGUAGE WILL NOT BE TOLERATED AND YOU WILL BE ASKED TO LEAVE THE FACILITIES.**
13. The only play balls allowed in the pool shall be Nerf-type balls and inflatable plastic beach balls. Tennis balls, golf balls, footballs, basketballs, or other hard balls will not be allowed. Lifeguards will have the authority to ask to have any of these items to be taken out of the pool if a problem persists.
14. Squirt guns, diving toys and reasonably sized floatation devices shall be allowed at the discretion of the lifeguards. None of these items can interfere at any time with another individual's enjoyment of the facility. The lifeguards will have the authority to ask to have any of these items taken out of the pool if a problem persists.
15. With the exception of squirt guns, no weapons of any kind shall be allowed on or around the Recreation Amenities, including but not limited to pocket knives or guns.
16. No bicycles, skateboards, roller blades, or similar are permitted in the pool area, in front of the entrance gates and on or about landscaped areas. Bicycles will need to be stored in the bicycle racks provided.
17. Lap swim will be provided Monday-Sunday from 10:00-11:00am and 7:00-8:00pm in the far right hand side of the pool(s). Open swim will not be allowed in these areas during these times. No hanging on lane/pool dividers is permitted.
18. Smoking and/or tobacco, marijuana, vaping, and other similar products are not permitted in the pool area or within 25 feet of the pool fence. The use of illegal drugs is not allowed.
19. The Authority and lifeguards are not responsible for any loss or theft of personal belongings.
20. Radios and other electronic devices must be played so as not to offend others. Lifeguards may determine acceptable volume and content levels.
21. The Lifeguards have the authority to monitor and enforce the rules. Failure to obey instructions from the Lifeguards may result in forfeiture of your deposit, suspension of pool privileges, and/or proper authorities being notified.
22. Pool will be closed when air temperature is 60 degrees and below, or when lightning is spotted. The Lifeguards will have full discretion with regard to pool closings. The Lifeguards may also close the pool temporarily for safety breaks or any other reason in their discretion.
23. All Lifeguards reserve the right to remove anyone from the pool area who does not comply with the pool rules and regulations.

EXHIBIT B
2024 Budgets for the Saddle Rock South Metropolitan District Nos. 2-4

SADDLE ROCK SOUTH METROPOLITAN DISTRICT NO. 2
2024
BUDGET MESSAGE

Attached please find a copy of the adopted 2024 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 2024 will be property and specific ownership taxes. The district intends to impose a 26.630 mill levy on property within the district for 2024, of which 14.913 mills will be dedicated to the General Fund and the balance of 11.717 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, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual 9/30/2023	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	336,152	328,058	326,188	328,058	433,516
Specific ownership taxes	21,195	22,964	17,080	23,000	30,353
Interest income	<u>312</u>	<u>500</u>	<u>174</u>	<u>200</u>	<u>200</u>
Total revenues	<u>357,659</u>	<u>351,522</u>	<u>343,442</u>	<u>351,258</u>	<u>464,069</u>
Total funds available	<u>357,659</u>	<u>351,522</u>	<u>343,442</u>	<u>351,258</u>	<u>464,069</u>
Expenditures:					
Treasurer fees	5,047	4,921	4,907	4,921	6,503
Transfer to Authority	<u>352,612</u>	<u>346,601</u>	<u>338,535</u>	<u>346,337</u>	<u>457,566</u>
Total expenditures	<u>357,659</u>	<u>351,522</u>	<u>343,442</u>	<u>351,258</u>	<u>464,069</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 23,432,707</u>			<u>\$ 29,069,706</u>
Mill Levy		<u>14.000</u>			<u>14.913</u>

Saddle Rock South Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual 9/30/2023	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	264,119	257,760	256,291	257,760	340,610
Specific ownership taxes	16,653	18,043	12,833	17,000	23,858
Interest income	<u>1,794</u>	<u>3,500</u>	<u>1,543</u>	<u>2,000</u>	<u>2,000</u>
Total revenues	<u>282,566</u>	<u>279,303</u>	<u>270,667</u>	<u>276,760</u>	<u>366,468</u>
Total funds available	<u>282,566</u>	<u>279,303</u>	<u>270,667</u>	<u>276,760</u>	<u>366,468</u>
Expenditures:					
Transfer to District #4	278,601	275,440	266,821	272,894	361,359
Treasurer fees	<u>3,965</u>	<u>3,863</u>	<u>3,846</u>	<u>3,866</u>	<u>5,109</u>
Total expenditures	<u>282,566</u>	<u>279,303</u>	<u>270,667</u>	<u>276,760</u>	<u>366,468</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 23,432,707</u>			<u>\$ 29,069,706</u>
Mill Levy		<u>11.000</u>			<u>11.717</u>
TOTAL MILL LEVY		<u>25.000</u>			<u>26.630</u>

SADDLE ROCK SOUTH METROPOLITAN DISTRICT NO. 3
2024
BUDGET MESSAGE

Attached please find a copy of the adopted 2024 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 2024 will be property taxes. The district intends to impose a 26.148 mill levy on property within the district for 2024, of which 14.643 mills will be dedicated to the General Fund and the balance of 11.505 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, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>9/30/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	316,990	305,025	305,020	305,025	385,373
Specific ownership taxes	20,086	22,582	15,241	20,000	26,975
Miscellaneous income	272	-	-	-	-
Interest income	-	100	51	70	100
Total revenues	<u>337,348</u>	<u>327,707</u>	<u>320,312</u>	<u>325,095</u>	<u>412,448</u>
Total funds available	<u>337,348</u>	<u>327,707</u>	<u>320,312</u>	<u>325,095</u>	<u>412,448</u>
Expenditures:					
Treasurer fee	4,755	4,592	4,577	4,575	5,781
Transfer to Dist #1 / Authority	<u>332,593</u>	<u>323,115</u>	<u>315,735</u>	<u>320,520</u>	<u>406,667</u>
Total expenditures	<u>337,348</u>	<u>327,707</u>	<u>320,312</u>	<u>325,095</u>	<u>412,448</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 21,787,520</u>			<u>\$ 26,317,881</u>
Mill Levy		<u>14.000</u>			<u>14.643</u>

Saddle Rock South Metropolitan District No. 3
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>9/30/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	249,064	239,663	239,659	239,663	302,787
Specific ownership taxes	15,782	17,743	11,932	15,000	22,169
Interest income	<u>1,048</u>	<u>700</u>	<u>1,159</u>	<u>1,600</u>	<u>1,600</u>
Total revenues	<u>265,894</u>	<u>258,106</u>	<u>252,750</u>	<u>256,263</u>	<u>326,556</u>
Total funds available	<u>265,894</u>	<u>258,106</u>	<u>252,750</u>	<u>256,263</u>	<u>326,556</u>
Expenditures:					
Transfer to District #4	262,158	254,498	249,155	252,668	322,001
Treasurer fees	<u>3,736</u>	<u>3,608</u>	<u>3,595</u>	<u>3,595</u>	<u>4,555</u>
Total expenditures	<u>265,894</u>	<u>258,106</u>	<u>252,750</u>	<u>256,263</u>	<u>326,556</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 21,787,520</u>			<u>\$ 26,317,881</u>
Mill Levy		<u>11.000</u>			<u>11.505</u>
TOTAL MILL LEVY		<u>25.000</u>			<u>26.148</u>

SADDLE ROCK SOUTH METROPOLITAN DISTRICT NO. 4
2024
BUDGET MESSAGE

Attached please find a copy of the adopted 2024 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 2024 will be property taxes and transfers from Saddle Rock South Metropolitan Districts No. 2 and 3. The District intends to impose a 26.653 mill levy on property within the district for 2024, of which 14.926 mills will be dedicated to the General Fund and the balance of 11.727 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, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>9/30/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	620,364	615,331	617,425	617,425	791,834
Specific ownership taxes	39,389	41,365	28,601	35,000	55,422
Interest income	<u>528</u>	<u>100</u>	<u>131</u>	<u>170</u>	<u>150</u>
Total revenues	<u>660,281</u>	<u>656,796</u>	<u>646,157</u>	<u>652,595</u>	<u>847,406</u>
Total funds available	<u>660,281</u>	<u>656,796</u>	<u>646,157</u>	<u>652,595</u>	<u>847,406</u>
Expenditures:					
Treasurer fee	9,313	9,206	9,233	9,261	11,877
Transfer to Dist #1 / Authority	<u>650,968</u>	<u>647,590</u>	<u>636,924</u>	<u>643,334</u>	<u>835,529</u>
Total expenditures	<u>660,281</u>	<u>656,796</u>	<u>646,157</u>	<u>652,595</u>	<u>847,406</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 43,952,181</u>			<u>\$ 53,050,707</u>
Mill Levy		<u>14.000</u>			<u>14.926</u>

Saddle Rock South Metropolitan District No. 4
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual <u>9/30/2023</u>	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 358,737	\$ 484,957	\$ 492,132	\$ 492,132	\$ 632,849
Revenues:					
Property taxes	487,428	483,474	485,120	485,120	622,126
Specific ownership taxes	30,949	32,501	21,535	28,000	43,575
Interest/other income	19,330	8,000	41,851	50,000	50,000
Transfer from District 2	278,601	275,440	266,821	272,894	361,359
Transfer from District 3	262,158	254,498	249,155	252,668	322,001
Total revenues	<u>1,078,466</u>	<u>1,053,913</u>	<u>1,064,482</u>	<u>1,088,682</u>	<u>1,399,061</u>
Total funds available	<u>1,437,203</u>	<u>1,538,870</u>	<u>1,556,614</u>	<u>1,580,814</u>	<u>2,031,910</u>
Expenditures:					
Bond interest Series 2015	314,738	297,688	148,844	297,688	280,088
Bond principal Series 2015	620,000	640,000	-	640,000	655,000
Paying agent fees	3,000	3,000	3,000	3,000	3,000
Treasurer fees	7,318	7,233	7,240	7,277	9,332
Miscellaneous	15	-	-	-	1,000
Total expenditures	<u>945,071</u>	<u>947,921</u>	<u>159,084</u>	<u>947,965</u>	<u>948,420</u>
Ending fund balance	<u>\$ 492,132</u>	<u>\$ 590,949</u>	<u>\$ 1,397,530</u>	<u>\$ 632,849</u>	<u>\$ 1,083,490</u>
Assessed valuation		<u>\$ 43,952,181</u>			<u>\$ 53,050,707</u>
Mill Levy		<u>11.000</u>			<u>11.727</u>
TOTAL MILL LEVY		<u>25.000</u>			<u>26.653</u>