

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 9
TOWN OF CASTLE ROCK, STATE OF COLORADO**

ANNUAL REPORT FOR FISCAL YEAR 2019

Pursuant to §32-1-207(3)(c), C.R.S., the Town of Castle Rock, Colorado (the “Town”) has requested that The Villages at Castle Rock Metropolitan District No. 9 (the “District”), submit an annual report to the Town reflecting the activity and financial events through the preceding December 31 (the “report year” or “2019”).

As noted in the 2018 Annual Report to the Town, the District’s Board of Directors (the “Board”) was reconstituted through appointment by the Town Council on August 21, 2018, through adoption of Resolution No. 2018-072, after a period of nearly 30 years of the Board being vacated and of the District being dormant. Since that time, the Board has worked on bringing the District current and assessing the outstanding obligations and needs of the District and its taxpayers.

For the year ending December 31, 2019, the District makes the following report:

A. A narrative summary of the progress of the District in implementing its service plan for the report year;

No public improvements were constructed by the District during the report year.

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

The 2019 Application for Exemption from Audit and a letter from the State Auditor accepting the audit exemption application 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 District in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year;

No capital expenditures were incurred by the District in 2019 and none are currently proposed.

D. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year, and the current mill levy of the District pledged to debt retirement in the report year;

No new District indebtedness or long-term obligations were issued in the report year. Please see the response to item H, below, with regard to outstanding financial obligations of the District.

The total assessed valuation of all taxable properties within the District, as certified by the Douglas County Assessor's Office, for 2019 is \$80,080. There was no mill levy pledged to debt retirement in the report year.

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

A copy of the District's 2020 budget is attached as **Exhibit B**.

F. A summary of residential and commercial development which has occurred within the District for the report year;

No development occurred within the District during the report year.

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

No fees, charges, or assessments were imposed by the District during the report year.

H. Certification of the Board that no action, event or condition enumerated in Section 11.02.060 of the Castle Rock Municipal Code has occurred in the report year; and

As of the date of this report, the District can certify that there is no action, event or condition enumerated in Section 11.02.060 Subsections B-I, inclusive, of the Castle Rock Municipal Code which occurred in the report year.

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

Members of the Board:

Robert L. Eck, II, President
6111 Quartz Loop
Arvada, Colorado 80403
PH: (303) 961-0313

Lisa A. Johnson, Secretary/Treasurer
6401 Sparrow Avenue
Firestone, Colorado 80504
PH: (303) 386-6349

Joseph Locicero, Assistant Secretary
6111 Quartz Loop
Arvada, Colorado 80403
PH: (925) 708-2051

General Counsel:

Jennifer Gruber Tanaka, Esq.
WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

Regular Meetings of the Board of Directors:

December 7, 2020
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
1:00 P.M.

The District hereby certifies that the information provided herein is true and accurate and, as of the date hereof.

Respectfully submitted this ____ day of July, 2020.

EXHIBIT A

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 9

APPLICATION FOR EXEMPTION FROM 2019 AUDIT AND
STATE AUDITOR ACCEPTANCE LETTER

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Villages at Castle Rock Metropolitan District No. 9
c/o White Bear Ankele Tanaka & Waldron
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
Jennifer Tanaka
303/858-1800
Jtanaka@wbapc.com
303/858-1801

For the Year Ended
12/31/19
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

Diane K Wheeler
District Accountant
Simmons & Wheeler, P.C.
304 Inverness Way South, Suite 490 Englewood, CO 80112
303-689-0833
3/18/2020

PREPARER (SIGNATURE REQUIRED)


Diane Wheeler (Mar 24, 2020)

Please indicate whether the following financial information is recorded
using Governmental or Proprietary fund types

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)



PROPRIETARY
(CASH OR BUDGETARY BASIS)



PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 7,503	
2-2	Specific ownership	\$ 753	
2-3	Sales and use	\$ -	
2-4	Other (specify): Interest Income	\$ 2	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ 19,777	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 28,035	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 890	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 358	
3-7	Accounting and legal fees	\$ 26,447	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24	Planning & Engineering	\$ 1,800	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 29,495	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No		
4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ 19,777	\$ -	\$ 19,777
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ 19,777	\$ -	\$ 19,777

*must tie to prior year ending balance

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? Date the debt was authorized:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the lease subject to annual appropriation? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ 4,470	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ 4,470
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ 4,470

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et seq., C.R.S.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? ☐ Yes ☒ No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: ☒ Yes ☐ No

n/a

6-3	Complete the following capital assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Infrastructure	\$ -	\$ -	\$ -	\$ -
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
	Other (explain):	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firemen's pension plan? ☐ Yes ☒ No
- 7-2 Does the entity have a volunteer firemen's pension plan? ☐ Yes ☒ No
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? ☒ Yes ☐ No ☐ N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: ☒ Yes ☐ No ☐ N/A
-

If yes: Please indicate the amount budgeted for each fund for the year reported:

Fund Name	Budgeted Expenditures/Expenses
General Fund	\$ 50,049

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

	Yes	No
9-1 Please answer the following question by marking in the appropriate box Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? <small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If no, MUST explain:

PART 10 - GENERAL INFORMATION

	Yes	No
10-1 Is this application for a newly formed governmental entity? If yes: Date of formation: <input style="width: 300px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10-2 Has the entity changed its name in the past or current year? If yes: Please list the NEW name & PRIOR name: <input style="width: 350px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10-3 Is the entity a metropolitan district? Please indicate what services the entity provides: <input style="width: 350px;" type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10-4 Does the entity have an agreement with another government to provide services? If yes: List the name of the other governmental entity and the services provided: <input style="width: 350px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10-5 Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during the If yes: Date Filed: <input style="width: 300px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10-6 Does the entity have a certified Mill Levy? If yes: Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bond Redemption mills	-	
General/Other mills	87.253	
Total mills	87.253	

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below.		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Print Board Member's Name Robert Eck	I <u>Robert Eck</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Robert J. Eck II</u> Date: <u>Mar 24, 2020</u> My term Expires: <u>05/2020</u>
Board Member 2	Print Board Member's Name Lisa Johnson	I <u>Lisa Johnson</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Lisa A. Johnson</u> Date: <u>Mar 24, 2020</u> My term Expires: <u>May 2020</u>
Board Member 3	Print Board Member's Name Joseph Locicero	I <u>Joseph Locicero</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2020</u>
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



Office of the State Auditor

Dianne E. Ray, CPA
State Auditor

June 17, 2020

Board Of Directors
Villages At Castle Rock Metropolitan District No 9
2154 E. Commons Ave. Suite 2000
Centennial, CO 80122

RE: 1221.09

To Whom it May Concern:

We have reviewed the *Application for Exemption from Audit* of the Villages At Castle Rock Metropolitan District No 9. Based on our review, the application for the year ended 12/31/2019 is approved.

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 Governments



We Set the Standard for Good Government

Local Government Audit Division • 1525 Sheman Street, 7th Floor • Denver, Colorado 80203-1700
Phone: 303.869.3000 • Fax: 303.869.3061

EXHIBIT B

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 9

2020 BUDGET

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 9
2020
BUDGET MESSAGE

Attached please find a copy of the adopted 2020 budget for Villages at Castle Rock Metropolitan District No. 9.

The Villages at Castle Rock Metropolitan District No. 9 has adopted a budget for 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 2020 will be property taxes and developer advances. The District intends to impose an 87.842 mill levy on the property within the District for 2020, which will be dedicated to the General Fund.

Villages at Castle Rock Metropolitan District No. 9
Adopted Budget
General Fund
For the Year ended December 31, 2020

	Actual 2018	Adopted Budget 2019	Actual 10/31/2019	Estimate 2019	Adopted Budget 2020
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	-	7,503	7,503	7,503	7,034
Specific ownership taxes	-	575	625	750	552
Developer advances	-	41,971	19,777	21,568	42,414
Total revenues	-	50,049	27,905	29,821	50,000
Total funds available	-	50,049	27,905	29,821	50,000
Expenditures:					
Audit/ Exemption	-	2,500	2,498	3,500	2,500
Election	-	-	-	-	1,500
Insurance/ SDA Dues	-	3,000	358	358	3,000
Legal	-	35,000	17,951	25,000	35,000
Directors fees	-	-	500	600	-
Miscellaneous	-	750	167	250	750
Treasurer's Fees	-	113	113	113	106
Contingency	-	7,445	-	-	5,858
Emergency Reserve	-	1,241	-	-	1,286
Total expenditures	-	50,049	21,587	29,821	50,000
Ending fund balance	\$ -	\$ -	\$ 6,318	\$ -	\$ -
Assessed valuation		\$ 85,990			\$ 80,080
Mill Levy		87.253			87.842