

**CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
ANNUAL REPORT
TO
TOWN OF CASTLE ROCK
FOR THE PERIOD ENDING DECEMBER 31, 2023**

Pursuant to §32-1-207(3)(c), C.R.S. and Section VI of the Amended and Restated Consolidated Service Plan for Castle Pines Commercial Metropolitan District No. 4 (the “**District**”) dated January 6, 2015, the District is required to submit an annual report to the Town of Castle Rock (the “**Town**”) reflecting activity and financial events through the preceding December 31st, and must include information required by Section 11.02.040 of the Town Code.

For the year ending December 31, 2023 (the “**Report Year**”), the District makes the following report:

11.02.040 Required Annual Report

1. A narrative summary of the progress of the District in implementing its Service Plan in the Report Year:

The District continues to provide limited snow removal and landscaping services for the public property within the boundaries of the District.

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

The 2023 Audit is in process and once filed, a copy can be obtained from the State Auditor’s online portal: <https://apps.leg.co.gov/osa/lg/submissions/search>.

3. 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:

There were \$-0- in capital expenditures incurred by the District in development of public facilities in the Report Year. The District budgeted \$-0- in capital expenditures for 2024 and does not anticipate any expenditures for capital improvements in the next five (5) years.

4. 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 (i) the amount of outstanding indebtedness, (ii) the amount and terms of any new District indebtedness or long-term obligations issues in the Report Year, (iii) the amount of payment or retirement of existing indebtedness of the District in the Report Year, (iv)

the total assessed valuation of all taxable properties within the District as of January 1 of the Report Year, and (v) the current mill levy of the District pledged to Debt retirement in the Report Year:

- i. \$4,320,000 –Limited Tax General Obligation Refunding Loan, Series 2022.
- ii. No new debt or long-term obligations issued in 2023.
- iii. \$85,000 in principal paid in 2023 for Series 2022 Loan.
- iv. Total AV of all taxable properties within the District as of January 1 of the Report Year was \$7,922,450.
- v. The mill levy pledged to Debt retirement in the Report Year is listed in the attached **Exhibit A**.

5. The District’s budget for the calendar year in which the annual report is submitted:

A copy of the District’s 2024 budget is attached hereto as **Exhibit A**.

6. A summary of residential and commercial development which has occurred within the District for the Report Year:

There was no residential or commercial development within the District during the Report Year.

7. A summary of all fees, charges, and assessments imposed by the District as of January 1 of the Report Year:

There were no fees, charges, or assessments imposed by the District as of January 1 of the Report Year.

8. Certification of the Board that no action, event, or condition enumerated in Section 11.02.060 of the Town Code has occurred in the Report Year:

No action, event, or condition enumerated in Section 11.02.060 has occurred in the Report Year.

9. 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 for the Board:

See attached **Exhibit B**.

§32-1-207(3), C.R.S. Statutory Requirements

1. Boundary changes made.

There were no boundary changes made to the District's boundaries during the Report Year.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

The District did not enter into or terminate any intergovernmental agreements in the Report Year.

3. Access information to obtain a copy of rules and regulations adopted by the board.

As of December 31, 2023, the District had not adopted any rules and regulations.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Douglas County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's public improvements as of December 31, 2023.

5. The status of the construction of public improvements by the District.

The District did not construct any facilities or improvements during 2023.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

The District did not construct any facilities or improvements dedicated to or accepted by the Town in 2023.

7. The final assessed valuation of the District as of December 31st of the reporting year.

Total AV of all taxable properties within the District as of December 31st of the Report Year was \$9,390,110.

8. A copy of the current year's budget.

A copy of the District's 2024 Budget is attached hereto as **Exhibit A**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The District's 2023 Audit is in process and once filed, a copy can be obtained from the State Auditor's online portal: <https://apps.leg.co.gov/osa/lg/submissions/search>.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

To our actual knowledge, the District did not receive notice of any uncured defaults existing for more than ninety (90) days under any Debt instrument of the District.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

To our actual knowledge, there was not any inability of the District to pay its obligations as they came due under any obligation which continued beyond a ninety (90) day period.

EXHIBIT A
(2024 Budget)

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (6,918)	\$ 156,190	\$ 152,034
REVENUES			
Property taxes	272,055	179,433	280,708
Specific ownership taxes	25,903	18,042	25,264
Interest income	1,400	5,000	8,200
Developer advance	22,900	-	-
Transfers from District No. 3	-	116,972	149,995
Transfers from District No. 1	34	-	-
Loan proceeds	4,545,000	-	-
Total revenues	<u>4,867,292</u>	<u>319,447</u>	<u>464,167</u>
TRANSFERS IN	<u>5,189</u>	<u>-</u>	<u>-</u>
Total funds available	<u>4,865,563</u>	<u>475,637</u>	<u>616,201</u>
EXPENDITURES			
General Fund	66,792	75,308	99,000
Debt Service Fund	4,637,392	248,295	254,000
Total expenditures	<u>4,704,184</u>	<u>323,603</u>	<u>353,000</u>
TRANSFERS OUT	<u>5,189</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>4,709,373</u>	<u>323,603</u>	<u>353,000</u>
ENDING FUND BALANCES	<u>\$ 156,190</u>	<u>\$ 152,034</u>	<u>\$ 263,201</u>
EMERGENCY RESERVE AVAILABLE FOR OPERATIONS	<u>\$ 2,700</u> <u>28,305</u>	<u>\$ 2,400</u> <u>32,338</u>	<u>\$ 3,300</u> <u>40,323</u>
TOTAL RESERVE	<u>\$ 31,005</u>	<u>\$ 34,738</u>	<u>\$ 43,623</u>

**CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Commercial	\$ 8,039,190	\$ 7,427,830	\$ 8,834,520
Vacant land	134,660	134,660	129,550
Personal property	338,510	359,930	426,010
Natural resources	30	30	30
Certified Assessed Value	<u>\$ 8,512,390</u>	<u>\$ 7,922,450</u>	<u>\$ 9,390,110</u>
MILL LEVY			
General	10.000	10.000	10.394
Debt Service	24.410	15.304	19.500
Total mill levy	<u>34.410</u>	<u>25.304</u>	<u>29.894</u>
PROPERTY TAXES			
General	\$ 85,124	\$ 79,225	\$ 97,601
Debt Service	207,787	121,245	183,107
Levied property taxes	292,911	200,470	280,708
Adjustments to actual/rounding	(20,856)	-	-
Refunds and abatements	-	(21,037)	-
Budgeted property taxes	<u>\$ 272,055</u>	<u>\$ 179,433</u>	<u>\$ 280,708</u>
ASSESSED VALUATION DEBT			
Certified Assessed Value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MILL LEVY			
Debt Service	0.000	15.304	19.500
Total mill levy	<u>0.000</u>	<u>15.304</u>	<u>19.500</u>
PROPERTY TAXES			
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED PROPERTY TAXES			
General	\$ 79,063	\$ 70,911	\$ 97,601
Debt Service	192,992	108,522	183,107
	<u>\$ 272,055</u>	<u>\$ 179,433</u>	<u>\$ 280,708</u>

No assurance provided. See summary of significant assumptions.

**CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (6,918)	\$ 31,005	\$ 34,738
REVENUES			
Property taxes	79,063	70,911	97,601
Specific ownership taxes	7,528	7,130	8,784
Interest income	413	1,000	1,500
Developer advance	22,900	-	-
Total revenues	<u>109,904</u>	<u>79,041</u>	<u>107,885</u>
Total funds available	<u>102,986</u>	<u>110,046</u>	<u>142,623</u>
EXPENDITURES			
General and administrative			
Accounting	15,300	20,000	22,000
Auditing	4,200	4,900	5,000
County Treasurer's fee	1,186	1,188	1,464
Dues and membership	563	344	1,100
Insurance	5,969	6,338	7,500
District management	13,263	11,000	20,000
Legal	20,367	25,000	27,500
Miscellaneous	30	-	-
Election	1,801	1,538	-
Contingency	-	-	3,936
Operations and maintenance			
Landscaping	4,113	5,000	7,500
Snow removal	-	-	3,000
Total expenditures	<u>66,792</u>	<u>75,308</u>	<u>99,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>5,189</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>71,981</u>	<u>75,308</u>	<u>99,000</u>
ENDING FUND BALANCES	<u>\$ 31,005</u>	<u>\$ 34,738</u>	<u>\$ 43,623</u>
EMERGENCY RESERVE	\$ 2,700	\$ 2,400	\$ 3,300
AVAILABLE FOR OPERATIONS	28,305	32,338	40,323
TOTAL RESERVE	<u>\$ 31,005</u>	<u>\$ 34,738</u>	<u>\$ 43,623</u>

No assurance provided. See summary of significant assumptions.

**CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 125,185	\$ 117,296
REVENUES			
Property taxes	192,992	108,522	183,107
Specific ownership taxes	18,375	10,912	16,480
Interest income	987	4,000	6,700
Transfers from District No. 3	-	116,972	149,995
Transfers from District No. 1	34	-	-
Loan proceeds	4,545,000	-	-
Total revenues	4,757,388	240,406	356,282
TRANSFERS IN			
Transfers from other funds	5,189	-	-
Total funds available	4,762,577	365,591	473,578
EXPENDITURES			
General and administrative			
County Treasurer's fee	2,895	1,819	2,747
Transfers to District No. 1	4,211,701	-	-
Paying agent fees	-	2,000	2,000
Contingency	-	15	2,869
Debt Service			
Loan interest	100,546	159,461	156,384
Loan Principal	140,000	85,000	90,000
Loan issue costs	182,250	-	-
Total expenditures	4,637,392	248,295	254,000
Total expenditures and transfers out requiring appropriation	4,637,392	248,295	254,000
ENDING FUND BALANCES	\$ 125,185	\$ 117,296	\$ 219,578

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was formed pursuant to an Order and Decree of the Douglas County District Court issued on March 25, 1987. Formation of the District was preceded by the approval by the Town of Castle Rock of a Consolidated Service Plan for Castle Pines Commercial Metropolitan Districts Nos. 1 – 5 in January 1987, as amended by an Amended and Restated Consolidated Service Plan for Castle Pines Commercial Metropolitan Districts Nos. 1, 3 and 4 approved by the Town Council on January 6, 2015. The District's service area is located entirely in Douglas County, Colorado.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitary sewer, storm sewer, streets and safety, parks and recreation, transportation facilities and fire protection.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes – (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9.0% of the property taxes collected.

Net Investment Income

Interest to be earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

Transfer from Other Districts

The District anticipates the collection of taxes in District No. 3, which will be transferred to the District to fund debt service expenditures.

Expenditures

General and administrative Expenditures

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and other administrative expenditures.

**CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures - (continued)

County Treasurer’s Fees

County Treasurer’s fees have been computed at 1.5% of property tax collections.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule for the Series 2022 Refunding Loan.

Debt and Leases

On April 21, 2022, the District refunded District No. 1’s Series 2015 Limited Tax Supported Revenue Bonds by the issuance of \$4,545,000 Tax-Exempt Refunding Loan, Series 2022. The loan bears interest at a rate of 3.62% and shall mature on December 1, 2042 with principal payments due December 1st. The notes are secured by and payable by ad valorem property taxes of the Taxing Districts.

The District has no operating or capital leases.

Developer Advances

The District has the following outstanding developer advances:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023
Developer Advance	\$ 158,100	\$ -	\$ -	\$ 158,100
Developer Advance - Interest	4,646	3,162	-	7,808
Total	<u>\$ 162,746</u>	<u>\$ 3,162</u>	<u>\$ -</u>	<u>\$ 165,908</u>

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024
Developer Advance	\$ 158,100	\$ -	\$ -	\$ 158,100
Developer Advance - Interest	7,808	3,162	-	10,970
Total	<u>\$ 165,908</u>	<u>\$ 3,162</u>	<u>\$ -</u>	<u>\$ 169,070</u>

Reserves

Emergency Reserves

The District had provided for an Emergency Reserve fund equal to at least 3% of the fiscal year spending, as defined under TABOR.

This information is an integral part of the accompanying budget.

**CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$4,545,000 Limited Tax General Obligation Refunding Loan
Dated April 21, 2022
Principal Due Annually December 1
Interest 3.62%, Due June and December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	90,000	156,384	246,384
2025	95,000	153,126	248,126
2026	95,000	149,687	244,687
2027	100,000	146,248	246,248
2028	105,000	142,628	247,628
2029	105,000	138,827	243,827
2030	110,000	135,026	245,026
2031	115,000	131,044	246,044
2032	120,000	106,881	226,881
2033	125,000	122,537	247,537
2034	125,000	118,012	243,012
2035	130,000	113,487	243,487
2036	135,000	108,781	243,781
2037	140,000	103,894	243,894
2038	145,000	98,826	243,826
2039	150,000	93,577	243,577
2040	155,000	88,147	243,147
2041	165,000	82,536	247,536
2042	2,115,000	76,563	2,191,563
Total	\$ 4,320,000	\$ 2,266,211	\$ 6,586,211

EXHIBIT B

(Director Information)

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4
8390 E. CRESCENT PARKWAY, SUITE 300
GREENWOOD VILLAGE, CO 80111
303-770-5710 (b) 303-779-0348 (f)

President: Tim O'Connor Term Exp.: 5/2027
Alberta Development Partners, LLC
5750 DTC Parkway, Suite #210
Greenwood Village, CO 80111
board@castlepinescommercialmds.org

Secretary Vacant Term Exp.: 5/2027

Treasurer Dustin Anderson Term Exp.: 5/2025
Alberta Development Partners, LLC
5750 DTC Parkway, Suite #210
Greenwood Village, CO 80111
Phone: 303-771-4004
board@castlepinescommercialmds.org

Asst. Sec. Vacant Term Exp.: 5/2025

Asst. Sec. Vacant Term Exp.: 5/2025

Chief Administrative Officer:

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Clifton Larson Allen LLP
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2024 meetings are held at 2:30 p.m. via teleconference on the first Monday of July and November.