

**CASTLE OAKS METROPOLITAN DISTRICT AND
CASTLE OAKS METROPOLITAN DISTRICT NOS. 2 & 3
TOWN OF CASTLE ROCK, COLORADO**

2012 CONSOLIDATED ANNUAL REPORT

Pursuant to the Amended and Restated Service Plan for Castle Oaks Metropolitan District and the Service Plans for Castle Oaks Metropolitan District Nos. 2 and 3 (collectively the "Districts"), the Districts are required to submit an annual report to the Town of Castle Rock, Colorado (the "Town") which reflects activity and financial events of the Districts through the preceding December 31 (the "report year") and includes the following:

For the year ending December 31, 2012, the Districts make the following report:

A. A narrative summary of the progress of the Districts in implementing their service plan for the report year.

Castle Oaks Metropolitan District has previously constructed and financed a large portion of the infrastructure necessary to serve the property within its boundaries. The construction of additional public infrastructure by the Districts has not been necessary.

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 Districts for the report year including a statement of financial condition (i.e. balance sheet) as of December 31 of the report year and the statement of operations (i.e. revenues and expenditures) for the report year.

A copy of the audit exemptions filed by District Nos. 2 and 3 for the year ending December 31, 2012 are attached hereto as **Exhibit A**. A copy of the audit for Castle Oaks Metropolitan District for the year ending December 31, 2012 will be submitted once it is received.

C. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts 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 construction was undertaken by the Districts during 2012. Copies of the Districts' budgets for the year ending December 31, 2012 are attached as **Exhibit B**. The following is a summary of the planned improvements for the next five (5) years.

Extension of Autumn Sage to South to provide Roadway for Rec Center/ June-December 2013 - \$900,000

Castle Oaks Drive Complete to Hwy 86/\$2.6 Million/ June – December, 2014

Castle Oaks Drive to N. Autumn Sage/\$2.4 Million/June-Dec, 2016

Power Line Relocations, \$1.4 Million/ Jan-June, 2015

Castle Oaks Drive Completion to North Boundary, \$2.4 Million/ Jan-Dec 2016

D. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts 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 or long-term obligations issued in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year, and the current mill levy of the Districts pledged to debt retirement in the report year.

A summary of the financial obligations of the Districts can be found in the budgets attached as **Exhibit B**.

E. The Districts' budgets for the calendar year in which the annual report is submitted.

Copies of the Districts' 2013 budgets are attached as **Exhibit C**.

F. A summary of residential and commercial development that has occurred within the Districts for the report year.

During 2012 thirty-nine (39) certificates of occupancy were issued by the Town of Castle Rock for residential units within the boundaries of the District. Thirty-eight (38) building permits were issued during 2012.

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

Castle Oaks Metropolitan District has imposed a facilities development fee on the property within the District in the amount of \$3,465.

H. Certification of the Boards that no action, event, or condition of Section 11.02.060 (Material Modification of Service Plan) has occurred in the report year.

The Certificate is attached as **Exhibit D**.

I. The names, business addresses and phone numbers of all members of the Boards and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the board.

Boards of Directors:

Michael Woodley
Woodley Architectural
731 SouthPark Dr. Suite B
Littleton, CO 80120
303-683-7231

Matt Janke
Meritage Homes
6892 S. Yosemite Ct., Ste. 1201
Centennial, CO 80112
303-406-4356

Glen R. Smith
Park Land Company
9800 Mt. Pyramid Ct. Suite 340
Englewood, CO 80112
303-771-3344

Janet Smith
Prism Realty, Inc.
8480 E. Orchard Rd., #1100
Greenwood Village, CO 80111
303-779-7979

Daniel Wilhelm
Park Land Company
9800 Mt. Pyramid Ct., Ste. 340
Englewood, CO 80112
(303) 906-2921

Regular Meetings:

Date: Second Thursday of June and October
Place: 9800 Mt. Pyramid Court Suite 340, Englewood CO 80112
Time: 9:00 a.m.

General Counsel:

George M. Rowley, Esq.
WHITE, BEAR & ANKELE
Professional Corporation
2154 E Commons Ave, Suite 2000
Centennial, CO 80122

EXHIBIT A

Audit Exemptions for the Year Ending December 31, 2012

APPLICATION FOR EXEMPTION FROM AUDIT - SHORT FORM - FOR GOVERNMENTS WITH REVENUES AND EXPENDITURES OF \$100,000 OR LESS

Name of Government:	Castle Oaks Metropolitan District No. 2	For the Fiscal Year Ended December 31, 2012 or fiscal year ended:
Address:	c/o White Bear & Ankele P.C. 2154 E. Commons Ave, Suite 2000 Centennial, CO 80122	
Contact Person:	George Rowley	
Telephone:	303-858-1800	
Email:	growley@wbapc.com	
Fax:	303-858-1801	

Return to: Office of the State Auditor
Local Government Audit Division
225 E. 16th Ave., Suite 555
Denver, CO 80203
Fax: 303-866-4062
Email: OSA.LG@state.co.us
Call (303) 866-3338 if you need help completing this form.

**PLEASE READ THE
ABOVE INSTRUCTIONS
BEFORE SUBMITTING**

Section 29-1-604, C.R.S., outlines the provisions for an exemption from audit. Generally, any local government for which neither revenues nor expenditures exceed \$500,000 in any fiscal year may qualify for an exemption. **If either revenues or expenditures are \$100,000 or greater, but not more than \$500,000, you may NOT use this form. Please use the LONG FORM of this application. If both revenues and expenditures are less than \$100,000 individually, use this short form application for exemption from audit.**

Please review ALL instructions prior to the completion of this form.

Instructions:

1. Prepare this form completely and accurately. Please note that there are 11 parts to this form, and all questions must be answered for the application to be considered complete.
2. File this form with the Office of the State Auditor within **3 months** after the end of the fiscal year.
For years ended December 31, the form **must** be **received** by the Office of the State Auditor by **March 31**.
3. The form **must** be completed by a person skilled in governmental accounting.
4. The application must be personally reviewed and approved by a majority of the governing body as evidenced by one of the following methods:
 - a. Resolution of the governing body - application may be emailed, faxed, or mailed.
 - b. Original signatures - application must be mailed. Email or fax will NOT be accepted.
5. The **preparer must sign** the application that is submitted in order for it to be accepted.
6. Additional information may be attached to the exemption at the preparer's discretion.

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

Name:	John Simmons
Title:	District Accountant
Firm Name (if applicable):	Simmons & Wheeler, P.C.
Address:	8005 S. Chester Street, Suite 150 Centennial, CO 80112
Telephone Number:	303-689-0833
Date Prepared:	2/19/2013

Preparer Signature (Required): The application will be rejected if not signed by the preparer.



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

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	(Omit cents)
2-1	Taxes: Property	\$ 4,304
2-2	Specific ownership	\$ 330
2-3	Sales and use	\$ -
2-4	Other (specify):	\$ -
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 4-3, column 2)	\$ -
2-16	Lease proceeds	\$ -
2-17	Developer Advances received (should agree with line 4-3)	\$ -
2-18	Proceeds from sale of capital assets	\$ -
2-19	Fire and police pension	\$ -
2-20	Donations	\$ -
2-21	Other (specify):	\$ -
2-22	Change in Developer advance receivable	\$ 1,917
2-23		\$ -
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE all sources	\$ 6,551

PART 3 - EXPENDITURES		
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	(Omit cents)
3-1	Administrative	\$ 65
3-2	Salaries	\$ -
3-3	Payroll taxes	\$ -
3-4	Contract services	\$ -
3-5	Employee benefits	\$ -
3-6	Insurance	\$ 2,023
3-7	Accounting and legal fees	\$ -
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 (should agree with line 6-1, column 2)	\$ -
3-17	Debt service principal (should agree with line 4-3, column 2)	\$ -
3-18	Debt service interest	\$ -
3-19	Repayment of Developer Advances (should agree with line 4-3)	\$ -
3-20	Contribution to pension plan (should agree to line 7-2)	\$ -
3-21	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -
3-22	Other (specify):	\$ -
3-23		\$ -
3-24		\$ -
3-25	(add lines 3-1 through 3-24) TOTAL EXPENDITURES all categories	\$ 2,088

Note: If Total Revenue (Line 2-24) or Total Expenditures (Line 3-25) 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?			x		
	Is the debt repayment schedule attached? If no, please explain: Developer note - no scheduled repayment				x	
4-2	Is the entity current in its debt service payments? If no, please explain:			x		
4-3	Please complete the following debt schedule, if applicable: (please only include principal amounts)		Outstanding at end of prior year	Issued during fiscal year	Retired during fiscal year	Outstanding at fiscal year-end
	General obligation bonds		\$ -	\$ -	\$ -	\$ -
	Revenue bonds		\$ -	\$ -	\$ -	\$ -
	Notes/Loans		\$ 57,554	\$ 2,878	\$ -	\$ 60,432
	Leases		\$ -	\$ -	\$ -	\$ -
	Developer Advances		\$ 28,304	\$ -	\$ -	\$ 28,304
	Other (specify): Interest on developer advance		\$ 10,229	\$ 2,335	\$ -	\$ 12,564
	Total:		\$ 96,087	\$ 5,213	\$ -	\$ 101,300
Please answer the following questions by marking the appropriate boxes.				Yes	No	
4-4	Does the entity have any authorized, but unissued, debt?					
If yes:	How much?	\$	25,000,000.00			
	Date the debt was authorized:		11/1/2006			
4-5	Does the entity intend to issue debt within the next calendar year (2012)?				x	
If yes:	How much?	\$	-			
Please answer the following questions by marking the appropriate boxes.				Yes	No	
4-6	Does the entity have debt that has been refinanced that it is still responsible for?				x	
If yes:	What is the amount outstanding?	\$	-			
Please answer the following questions by marking the appropriate boxes.				Yes	No	
4-7	Does the entity have any lease agreements?				x	
If yes:	What is being leased?					
	What is the original date of the lease?					
	Number of years of lease?					
	Is the lease subject to annual appropriation?				n/a	
	What are the annual lease payments?	\$	-			
4-8	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	Checking accounts			\$ 4,769		
5-2	Savings accounts			\$ -		
5-3	Certificates of deposit			\$ -		
	Total Cash Deposits				\$ 4,769	
	Investments (if investment is a mutual fund, please list underlying investments):					
5-4	CSAFE			\$ -		
5-5				\$ -		
5-6				\$ -		
5-7				\$ -		
	Total Investments				\$ -	
	Total Cash and Investments				\$ 4,769	
Please answer the following question by marking in the appropriate box				Yes	No	
5-8	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, please explain:			x		
5-9	Please use this space to provide any explanations or comments:					

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.					Yes	No	
6-1	Does the entity have land, buildings, and/or equipment?					X	
If yes:	Has the entity performed an annual inventory of property and equipment (capital assets) in accordance with Section 29-1-506, C.R.S.,? If no, please explain:				n/a		
	Complete the following table:						
		Balance - beginning of the year	Additions	Deletions	Year-End Balance		
	Land	\$ -	\$ -	\$ -	\$ -		
	Buildings	\$ -	\$ -	\$ -	\$ -		
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -		
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -		
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -		
	Other (explain): Organizational costs	\$ -	\$ -	\$ -	\$ -		
	Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -		
	Total	\$ -	\$ -	\$ -	\$ -		
6-2	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?					X	
7-2	Does the entity have a volunteer firemen's pension plan?					X	
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 1?				\$ -		
7-3	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	
8-1	Did the entity file a 2012 budget with the Department of Local Affairs? If no, please explain:				X		
8-2	Did the entity pass an appropriations resolution? In no, please explain:				X		
If yes:	Please indicate the amount appropriated for each fund for 2012:						
		Fund Name	Budgeted 2012 Expenditures				
		General Fund	\$	7,106			
		Capital Projects Fund	\$	500,000			
	Debt Fund	\$	4,750				
8-3	Please use this space to provide any explanations or comments:						

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box		Yes	No
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?	x	
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.			
Please use this space to provide any explanations or comments:			
9-2			

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.		Yes	No
10-1	Is this application for a newly formed governmental entity?		x
If yes:	Date of formation:		
10-2	Has the entity changed its name in the past or current year?		x
If Yes:	Please list the NEW name & PRIOR name:		
10-3	Is the entity a metropolitan district?	x	
10-4	Please indicate what services the entity provides: Streets, water. Traffic control, sewer, parks and recreation		
10-5	Does the entity have an agreement with another government to provide services?		x
If yes:	List the name of the other governmental entity and the services provided:		
10-6	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]		x
If yes:	Date Filed:		
10-7	Please use this space to provide any explanations or comments:		

PART 11 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1604, C.R.S., which states that a governmental agency with revenue and expenditures of \$100,000 or less must have an application prepared by a person skilled in governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of all current		A MAJORITY of the governing board members must complete and sign in the column
Board Member 1	Print Board Members Name <u>Glen Smith</u>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2014</u>
Board Member 2	Print Board Members Name <u>Daniel Wilhelm</u>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2016</u>
Board Member 3	Print Board Members Name <u>Matt Janke</u>	I <u>Matt Janke</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u>[Signature]</u> Date: _____ My <u>3/12/13</u> term Expires: <u>May 2014</u>
Board Member 4	Print Board Members Name <u>Janet Smith</u>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2016</u>
Board Member 5	Print Board Members Name <u>Michael Woodley</u>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2016</u>
Board Member 6	Print Board Members Name	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Members Name	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

PART 11 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$100,000 or less must have an application prepared by a person skilled in governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of all current		A MAJORITY of the governing board members must complete and sign in the column	
Board Member 1	Print Board Members Name <u>Glen Smith</u>	I <u>Glen K Smith</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/12/13</u> My term Expires: <u>May 2014</u>	
Board Member 2	Print Board Members Name <u>Daniel Wilhelm</u>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2016</u>	
Board Member 3	Print Board Members Name <u>Matt Janke</u>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2014</u>	
Board Member 4	Print Board Members Name <u>Janet Smith</u>	I <u>Janet I.P. Smith</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u>Janet I.P. Smith</u> Date: <u>3/12/13</u> My term Expires: <u>May 2016</u>	
Board Member 5	Print Board Members Name <u>Michael Woodley</u>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2016</u>	
Board Member 6	Print Board Members Name	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____	
Board Member 7	Print Board Members Name	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____	

APPLICATION FOR EXEMPTION FROM AUDIT - SHORT FORM - FOR GOVERNMENTS WITH REVENUES AND EXPENDITURES OF \$100,000 OR LESS

Name of Government:	Castle Oaks Metropolitan District No. 3	For the Fiscal Year Ended December 31, 2012 or fiscal year ended:
Address:	c/o White Bear & Ankele P.C. 2154 E. Commons Ave, Suite 2000 Centennial, CO 80122	
Contact Person:	George Rowley	
Telephone:	303-858-1800	
Email:	growley@wbapc.com	
Fax:	303-858-1801	

Return to: Office of the State Auditor
Local Government Audit Division
225 E. 16th Ave., Suite 555
Denver, CO 80203
Fax: 303-866-4062
Email: OSA.LG@state.co.us
Call (303) 866-3338 if you need help completing this form.

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ABOVE INSTRUCTIONS
BEFORE SUBMITTING**

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Please review ALL instructions prior to the completion of this form.

Instructions:

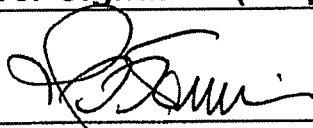
1. Prepare this form completely and accurately. Please note that there are 11 parts to this form, and all questions must be answered for the application to be considered complete.
2. File this form with the Office of the State Auditor within **3 months** after the end of the fiscal year.
For years ended December 31, the form **must** be **received** by the Office of the State Auditor by **March 31**.
3. The form **must** be completed by a person skilled in governmental accounting.
4. The application must be personally reviewed and approved by a majority of the governing body as evidenced by one of the following methods:
 - a. Resolution of the governing body - application may be emailed, faxed, or mailed.
 - b. Original signatures - application must be mailed. Email or fax will NOT be accepted.
5. The **preparer must sign** the application that is submitted in order for it to be accepted.
6. Additional information may be attached to the exemption at the preparer's discretion.

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

Name:	John Simmons
Title:	District Accountant
Firm Name (if applicable):	Simmons & Wheeler, P.C.
Address:	8005 S. Chester Street, Suite 150 Centennial, CO 80112
Telephone Number:	303-689-0833
Date Prepared:	2/19/2013

Preparer Signature (Required): The application will be rejected if not signed by the preparer.



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

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	(Omit cents)
2-1	Taxes: Property	\$ 71,613
2-2	Specific ownership	\$ 5,486
2-3	Sales and use	\$ -
2-4	Other (specify):	\$ -
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 4-3, column 2)	\$ -
2-16	Lease proceeds	\$ -
2-17	Developer Advances received (should agree with line 4-3)	\$ -
2-18	Proceeds from sale of capital assets	\$ -
2-19	Fire and police pension	\$ -
2-20	Donations	\$ -
2-21	Other (specify):	\$ -
2-22	Change in Developer advance receivable	\$ -
2-23		\$ -
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE all sources	\$ 77,099

PART 3 - EXPENDITURES		
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	(Omit cents)
3-1	Administrative	\$ 1,073
3-2	Salaries	\$ -
3-3	Payroll taxes	\$ -
3-4	Contract services	\$ -
3-5	Employee benefits	\$ -
3-6	Insurance	\$ 2,108
3-7	Accounting and legal fees	\$ -
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 (should agree with line 6-1, column 2)	\$ -
3-17	Debt service principal (should agree with line 4-3, column 2)	\$ -
3-18	Debt service interest	\$ -
3-19	Repayment of Developer Advances (should agree with line 4-3)	\$ 31,155
3-20	Contribution to pension plan (should agree to line 7-2)	\$ -
3-21	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -
3-22	Other (specify):	\$ -
3-23	Repayment of Developer Advance interest - (see line 4-3, column 2)	\$ 11,732
3-24		\$ -
3-25	(add lines 3-1 through 3-24) TOTAL EXPENDITURES all categories	\$ 46,068

Note: If Total Revenue (Line 2-24) or Total Expenditures (Line 3-25) 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?			x		
	Is the debt repayment schedule attached? If no, please explain: Developer note - no scheduled repayment				x	
4-2	Is the entity current in its debt service payments? If no, please explain:			x		
4-3	Please complete the following debt schedule, if applicable: (please only include principal amounts)		Outstanding at end of prior year	Issued during fiscal year	Retired during fiscal year	Outstanding at fiscal year-end
	General obligation bonds		\$ -	\$ -	\$ -	\$ -
	Revenue bonds		\$ -	\$ -	\$ -	\$ -
	Notes/Loans		\$ 58,411	\$ -	\$ 4,090	\$ 54,321
	Leases		\$ -	\$ -	\$ -	\$ -
	Developer Advances		\$ 27,065	\$ -	\$ 27,065	\$ -
	Other (specify): Interest on developer advance		\$ 6,979	\$ 4,895	\$ 11,732	\$ 142
	Total:		\$ 92,455	\$ 4,895	\$ 42,887	\$ 54,463
Please answer the following questions by marking the appropriate boxes.				Yes	No	
4-4	Does the entity have any authorized, but unissued, debt?					
If yes:	How much?	\$	25,000,000.00			
	Date the debt was authorized:		11/1/2006			
4-5	Does the entity intend to issue debt within the next calendar year (2012)?				x	
If yes:	How much?	\$	-			
Please answer the following questions by marking the appropriate boxes.				Yes	No	
4-6	Does the entity have debt that has been refinanced that it is still responsible for?				x	
If yes:	What is the amount outstanding?	\$	-			
Please answer the following questions by marking the appropriate boxes.				Yes	No	
4-7	Does the entity have any lease agreements?				x	
If yes:	What is being leased?					
	What is the original date of the lease?					
	Number of years of lease?					
	Is the lease subject to annual appropriation?				n/a	
	What are the annual lease payments?	\$	-			
4-8	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	Checking accounts	\$ 84,667	
5-2	Savings accounts	\$ -	
5-3	Certificates of deposit	\$ -	
Total Cash Deposits			\$ 84,667
Investments (if investment is a mutual fund, please list underlying investments):			
5-4		\$ -	
5-5		\$ -	
5-6		\$ -	
5-7		\$ -	
Total Investments			\$ -
Total Cash and Investments			\$ 84,667
Please answer the following question by marking in the appropriate box		Yes	No
5-8	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, please explain:	x	
5-9	Please use this space to provide any explanations or comments:		

PART 6 - CAPITAL ASSETS

	Please answer the following questions by marking in the appropriate boxes.			Yes	No
6-1	Does the entity have land, buildings, and/or equipment?				x
If yes:	Has the entity performed an annual inventory of property and equipment (capital assets) in accordance with Section 29-1-506, C.R.S.,? If no, please explain:			n/a	
	Complete the following table:				
		Balance - beginning of the year	Additions	Deletions	Year-End Balance
	Land	\$ -	\$ -	\$ -	\$ -
	Buildings	\$ -	\$ -	\$ -	\$ -
	Machinery and equipment	\$ -	\$ -	\$ -	\$ -
	Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
	Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
	Other (explain): Organizational costs	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -
	Please use this space to provide any explanations or comments:				
6-2					

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?				x
7-2	Does the entity have a volunteer firemen's pension plan?				x
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 1?			\$ -	
	Please use this space to provide any explanations or comments:				
7-3					

PART 8 - BUDGET INFORMATION

	Please answer the following questions by marking in the appropriate boxes.			Yes	No
8-1	Did the entity file a 2012 budget with the Department of Local Affairs? If no, please explain:			x	
8-2	Did the entity pass an appropriations resolution? In no, please explain:			x	
If yes:	Please indicate the amount appropriated for each fund for 2012:				
	Fund Name	Budgeted 2012 Expenditures			
	General Fund	\$	71,598		
	Capital Projects Fund	\$	500,000		
	Debt Fund	\$	6,964		
	Please use this space to provide any explanations or comments:				
8-3					

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box		Yes	No
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?	x	
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.			
9-2	Please use this space to provide any explanations or comments:		

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.		Yes	No
10-1	Is this application for a newly formed governmental entity?		x
If yes:	Date of formation:		
10-2	Has the entity changed its name in the past or current year?		x
If Yes:	Please list the NEW name & PRIOR name:		
10-3	Is the entity a metropolitan district?	x	
10-4	Please indicate what services the entity provides: Streets, water, traffic control, sewer, parks and recreation		
10-5	Does the entity have an agreement with another government to provide services?		x
If yes:	List the name of the other governmental entity and the services provided:		
10-6	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]		x
If yes:	Date Filed:		
10-7	Please use this space to provide any explanations or comments:		

PART 11 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$100,000 or less must have an application prepared by a person skilled in governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of all current		A MAJORITY of the governing board members must complete and sign in the column
Board Member 1	Print Board Members Name <i>Glen Smith</i>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2014</u>
Board Member 2	Print Board Members Name <i>Daniel Wilhelm</i>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2016</u>
Board Member 3	Print Board Members Name <i>Matt Janke</i>	I <u>Matt Janke</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u>[Signature]</u> Date: _____ My term Expires: <u>May 2014</u>
Board Member 4	Print Board Members Name <i>Janet Smith</i>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2016</u>
Board Member 5	Print Board Members Name <i>Michael Woodley</i>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>May 2016</u>
Board Member 6	Print Board Members Name	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Members Name	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

PART 11 - GOVERNING BODY APPROVAL

Below is the certification and approval of the governing board. By signing the board member is certifying they are a duly elected or appointed officer of the local government. Governing board members may be verified. Also by signing, the board member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1604, C.R.S., which states that a governmental agency with revenue and expenditures of \$100,000 or less must have an application prepared by a person skilled in governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of all current		A MAJORITY of the governing board members must complete and sign in the column	
Board Member 1	Print Board Members Name <u>Glen Smith</u>	I <u>Glen K Smith</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit.	Signed <u>[Signature]</u> Date: <u>3/12/13</u> My
		term Expires: <u>May 2014</u>	
Board Member 2	Print Board Members Name <u>Daniel Wilhelm</u>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit.	Signed _____ Date: _____ My
		term Expires: <u>May 2016</u>	
Board Member 3	Print Board Members Name <u>Matt Janke</u>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit.	Signed _____ Date: _____ My
		term Expires: <u>May 2014</u>	
Board Member 4	Print Board Members Name <u>Janet Smith</u>	I <u>Janet I. P. Smith</u> , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit.	Signed <u>[Signature]</u> Date: <u>3-12-13</u> My
		term Expires: <u>May 2016</u>	
Board Member 5	Print Board Members Name <u>Michael Woodley</u>	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit.	Signed _____ Date: _____ My
		term Expires: <u>May 2016</u>	
Board Member 6	Print Board Members Name	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit.	Signed _____ Date: _____ My
		term Expires: _____	
Board Member 7	Print Board Members Name	I _____, attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit.	Signed _____ Date: _____ My
		term Expires: _____	

EXHIBIT B

2012 Budgets

CASTLE OAKS METROPOLITAN DISTRICT
2012
BUDGET MESSAGE

Attached please find a copy of the adopted 2012 budget for the Castle Oaks Metropolitan District.

The Castle Oaks Metropolitan District has adopted three separate funds, a General Fund to provide for operating expenditures; a Debt Service Fund to provide for payments on the Series 2005 general obligation bonds; and a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the District.

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 revenues for the District in 2012 will be property taxes and specific ownership taxes. The District intends to impose a 50.000 mill levy on the property within the District for 2012, of which 4.000 mills will be dedicated to the General Fund and the balance of 46.000 mills will be allocated to the Debt Service Fund.

**Castle Oaks Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2012**

	<u>Actual 2010</u>	<u>Adopted Budget 2011</u>	<u>Actual 9/30/2011</u>	<u>Estimate 2011</u>	<u>Adopted Budget 2012</u>
Beginning fund balance	\$ 54,980	\$ 35,509	\$ -	\$ -	\$ 26,899
Revenues:					
Property taxes	45,970	44,833	44,709	44,833	35,344
Ownership taxes	3,016	3,053	2,241	3,000	2,474
Developer advances	3,938	315,000	(3,938)	1,000	283
Developer contributions	-	-	54,244	56,670	-
Miscellaneous income	-	17	65	-	-
Interest income	72	-	1	100	-
Total revenues	<u>52,996</u>	<u>362,903</u>	<u>97,322</u>	<u>105,603</u>	<u>38,101</u>
Total funds available	<u>107,976</u>	<u>398,412</u>	<u>97,322</u>	<u>105,603</u>	<u>65,000</u>
Expenditures:					
Legal	90,629	50,000	29,799	40,000	40,000
Accounting and audit	14,386	14,000	12,487	15,000	14,000
Insurance	2,190	2,500	2,533	2,533	2,500
Litigation expense	-	315,000	17,574	20,000	-
District management	-	-	-	-	-
Election expense	-	-	-	-	-
Utilities	-	-	-	-	-
Miscellaneous / IGA	80	847	30	500	847
Repairs and maintenance	-	-	-	-	-
Directors Feee	-	-	-	-	-
Treasurer's fees	691	671	671	671	530
Contingency	-	3,903	-	-	5,387
Transfer to Debt Service	-	-	-	-	-
Emergency reserve	-	11,491	-	-	1,736
Total expenditures	<u>107,976</u>	<u>398,412</u>	<u>63,094</u>	<u>78,704</u>	<u>65,000</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,228</u>	<u>\$ 26,899</u>	<u>\$ -</u>
Assessed value (000's)	<u>\$ 11,053.320</u>	<u>\$ 11,208.150</u>	<u>\$ 11,208.150</u>	<u>\$ 11,208.150</u>	<u>\$ 8,836.030</u>
Mill levy	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>

Castle Oaks Metropolitan District
Adopted Budget
Capital Project Fund
For the Year ended December 31, 2012

	<u>Actual 2010</u>	<u>Adopted Budget 2011</u>	<u>Actual 6/30/2011</u>	<u>Estimate 2011</u>	<u>Adopted Budget 2012</u>
Beginning fund balance	\$ 24,129	\$ 14,826	\$ 14,827	\$ 14,827	\$ 14,829
Revenues:					
Bond proceeds	-	-	-	-	-
Accrued interest	-	-	-	-	-
GOCO Grant	-	-	-	-	-
Developer advances	-	-	-	-	-
Developer contributions	-	-	-	-	-
Reimbursements	-	-	-	-	-
Interest income	7	-	2	2	-
	<u>7</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total revenues	<u>7</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total funds available	<u>24,136</u>	<u>14,826</u>	<u>14,829</u>	<u>14,829</u>	<u>14,829</u>
Expenditures:					
Construction	-	14,826	-	-	14,829
Legal	9,309	-	-	-	-
Consultant	-	-	-	-	-
District Mgmt	-	-	-	-	-
Accounting	-	-	-	-	-
Issuance costs	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
Repay developer advances - principal	-	-	-	-	-
Repay developer advances - interest	-	-	-	-	-
Project management	-	-	-	-	-
	<u>9,309</u>	<u>14,826</u>	<u>-</u>	<u>-</u>	<u>14,829</u>
Total expenditures	<u>9,309</u>	<u>14,826</u>	<u>-</u>	<u>-</u>	<u>14,829</u>
Ending fund balance	<u>\$ 14,827</u>	<u>\$ -</u>	<u>\$ 14,829</u>	<u>\$ 14,829</u>	<u>\$ -</u>

**Castle Oaks Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2012**

	<u>Actual 2010</u>	<u>Adopted Budget 2011</u>	<u>Actual 6/30/2011</u>	<u>Estimate 2011</u>	<u>Adopted Budget 2012</u>
Beginning fund balance	\$ 1,095,171	\$ 1,240,517	\$ 1,243,186	\$ 1,243,186	\$ 1,345,439
Revenues:					
Property taxes	528,650	515,575	514,157	515,575	406,457
HB 1006 taxes	-	-	-	-	-
Ownership taxes	34,681	36,090	25,775	35,000	28,452
Development fees	13,860	-	-	-	-
Transfer from Capital Project	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-
Refunding Bonds	-	-	-	-	-
Interest income	3,227	-	1,003	1,200	598
Total revenues	<u>580,418</u>	<u>551,665</u>	<u>540,935</u>	<u>551,775</u>	<u>435,507</u>
Total funds available	<u>1,675,589</u>	<u>1,792,182</u>	<u>1,784,121</u>	<u>1,794,961</u>	<u>1,780,946</u>
Expenditures:					
Extraordinary redemption	-	-	-	-	-
Bond interest Series 2005	364,387	360,788	180,394	360,788	356,288
Bond principal Series 2005	60,000	75,000	-	75,000	85,000
Paying agent fees	75	2,500	4,575	6,000	6,000
Treasurer's fees	7,941	7,734	7,714	7,734	6,097
Miscellaneous	-	-	-	-	8
Total expenditures	<u>432,403</u>	<u>446,022</u>	<u>192,683</u>	<u>449,522</u>	<u>453,393</u>
Ending fund balance	<u>\$ 1,243,186</u>	<u>\$ 1,346,160</u>	<u>\$ 1,591,438</u>	<u>\$ 1,345,439</u>	<u>\$ 1,327,553</u>
Assessed value (000's)	<u>\$ 11,053.320</u>	<u>\$ 11,208.150</u>	<u>\$ 11,208.150</u>	<u>\$ 11,208.150</u>	<u>\$ 8,836.030</u>
Mill levy	<u>46.000</u>	<u>46.000</u>	<u>46.000</u>	<u>46.000</u>	<u>46.000</u>
Total levy	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>

CASTLE OAKS METROPOLITAN DISTRICT NO. 2
2012
BUDGET MESSAGE

Attached please find a copy of the adopted 2012 budget for the Castle Oaks Metropolitan District No. 2.

The Castle Oaks Metropolitan District No. 2 has adopted three separate funds, a General Fund to provide for operating expenditures; a Debt Service Fund to provide for payments on the outstanding promissory note; and a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the District.

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 revenues for the District in 2012 will be developer advances. The District intends to impose a 25.000 mill levy on the property within the District for 2012, which will be allocated to the Debt Service Fund.

Castle Oaks Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2012

	Actual <u>2010</u>	Adopted Budget <u>2011</u>	Actual <u>9/30/2011</u>	Estimated <u>2011</u>	Adopted Budget <u>2012</u>
Beginning fund balance	\$ (2,053)	\$ (7,035)	\$ (7,035)	\$ (7,035)	\$ 106
Revenues:					
Property taxes	-	-	-	-	-
HB 1006 taxes	-	-	-	-	-
Ownership taxes	-	-	-	-	-
Developer advances	-	19,035	8,672	8,672	7,000
Reimbursement	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>-</u>	<u>19,035</u>	<u>8,672</u>	<u>8,672</u>	<u>7,000</u>
Total funds available	<u>(2,053)</u>	<u>12,000</u>	<u>1,637</u>	<u>1,637</u>	<u>7,106</u>
Expenditures:					
Legal	3,538	10,000	-	-	-
Accounting and audit	-	-	-	-	-
Insurance	1,444	2,000	1,531	1,531	2,000
District management	-	-	-	-	-
Election expense	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Treasurer's fees	-	-	-	-	-
Contingency	-	-	-	-	5,046
Emergency reserve	-	-	-	-	60
Total expenditures	<u>4,982</u>	<u>12,000</u>	<u>1,531</u>	<u>1,531</u>	<u>7,106</u>
Ending fund balance	<u>\$ (7,035)</u>	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ 106</u>	<u>\$ -</u>
Assessed value (000's)	<u>\$ 0.680</u>	<u>\$ 0.680</u>	<u>\$ 0.680</u>	<u>\$ 0.680</u>	<u>\$ 172.120</u>
Mill levy	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Castle Oaks Metropolitan District No. 2
Adopted Budget
Capital Project Fund
For the Year ended December 31, 2012

	Actual <u>2010</u>	Adopted Budget <u>2011</u>	Actual <u>09/30/11</u>	Estimated <u>2011</u>	Adopted Budget <u>2012</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond proceeds	-	-	-	-	-
Developer advances	-	500,000	-	-	500,000
Interest income	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	500,000	-	-	500,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds available	-	500,000	-	-	500,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:	-	-	-	-	-
Construction	-	500,000	-	-	500,000
Legal	-	-	-	-	-
District Mgmt	-	-	-	-	-
Accounting	-	-	-	-	-
Issuance costs	-	-	-	-	-
Formation costs	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
Repay developer advances	-	-	-	-	-
Project management	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	500,000	-	-	500,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Castle Oaks Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2012

	<u>Actual</u> <u>2010</u>	<u>Adopted</u> <u>Budget</u> <u>2011</u>	<u>Actual</u> <u>09/30/11</u>	<u>Estimated</u> <u>2011</u>	<u>Adopted</u> <u>Budget</u> <u>2012</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 17
Revenues:					
Property taxes	-	17	17	17	4,303
Ownership taxes	-	2	-	-	430
Development fees	-	-	-	-	-
Transfer from Capital Project	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>-</u>	<u>19</u>	<u>17</u>	<u>17</u>	<u>4,733</u>
Total funds available	<u>-</u>	<u>19</u>	<u>17</u>	<u>17</u>	<u>4,750</u>
Expenditures:					
Payment on promissory note	-	19	-	-	4,685
Paying agent fees	-	-	-	-	-
Treasurer's fees	-	-	-	-	65
Miscellaneous	-	-	-	-	-
Total expenditures	<u>-</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>4,750</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 17</u>	<u>\$ -</u>
Assessed value (000's)	<u>\$ 0.680</u>	<u>\$ 0.680</u>	<u>\$ 0.680</u>	<u>\$ 0.680</u>	<u>\$ 172.120</u>
Mill levy	<u>-</u>	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>
Total levy	<u>-</u>	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>

CASTLE OAKS METROPOLITAN DISTRICT NO. 3
2012
BUDGET MESSAGE

Attached please find a copy of the adopted 2012 budget for the Castle Oaks Metropolitan District No. 3.

The Castle Oaks Metropolitan District No. 3 has adopted three separate funds, a General Fund to provide for operating expenditures and payments on the outstanding promissory note; a Debt Service Fund to provide for payments on the outstanding promissory note; and a Capital Projects Fund to provide for the estimated infrastructure costs that are built by the District.

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 revenues for the District in 2012 will be developer advances and property taxes. The District intends to impose a 44.000 mill levy on the property within the District for 2012, of which 40.000 mills will be dedicated to the General Fund and the balance of 4.000 mills will be allocated to the Debt Service Fund.

Castle Oaks Metropolitan District No. 3
Adopted Budget
General Fund
For the Year ended December 31, 2012

	Actual <u>2010</u>	Adopted Budget <u>2011</u>	Actual <u>9/30/2011</u>	Estimated <u>2011</u>	Adopted Budget <u>2012</u>
Beginning fund balance	\$ (2,048)	\$ (7,079)	\$ (7,079)	\$ (7,079)	\$ -
Revenues:					
Property taxes	-	-	-	-	65,089
HB 1006 taxes	-	-	-	-	-
Ownership taxes	-	-	-	-	6,509
Developer advances	-	19,079	8,590	8,609	-
Reimbursements	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>-</u>	<u>19,079</u>	<u>8,590</u>	<u>8,609</u>	<u>71,598</u>
Total funds available	<u>(2,048)</u>	<u>12,000</u>	<u>1,511</u>	<u>1,530</u>	<u>71,598</u>
Expenditures:					
Legal	3,587	10,000	-	-	-
Accounting and audit	-	-	-	-	-
Insurance	1,444	2,000	1,530	1,530	2,000
District management	-	-	-	-	-
Election expense	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Treasurer's fees	-	-	-	-	976
Payment on promissory note	-	-	-	-	50,000
Contingency	-	-	-	-	18,533
Emergency reserve	-	-	-	-	89
Total expenditures	<u>5,031</u>	<u>12,000</u>	<u>1,530</u>	<u>1,530</u>	<u>71,598</u>
Ending fund balance	<u>\$ (7,079)</u>	<u>\$ -</u>	<u>\$ (19)</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed value (000's)	<u>\$ 148.510</u>	<u>\$ 1,477.650</u>	<u>\$ 1,477.650</u>	<u>\$ 1,477.650</u>	<u>\$ 1,627.230</u>
Mill levy	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40.000</u>

Castle Oaks Metropolitan District No. 3
Adopted Budget
Capital Project Fund
For the Year ended December 31, 2012

	<u>Actual</u> <u>2010</u>	<u>Adopted</u> <u>Budget</u> <u>2011</u>	<u>Actual</u> <u>09/30/11</u>	<u>Estimated</u> <u>2011</u>	<u>Adopted</u> <u>Budget</u> <u>2012</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond proceeds	-	-	-	-	-
Developer advances	-	500,000	-	-	500,000
Interest income	-	-	-	-	-
Total revenues	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total funds available	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Expenditures:					
Construction	-	500,000	-	-	500,000
Legal	-	-	-	-	-
District Mgmt	-	-	-	-	-
Accounting	-	-	-	-	-
Issuance costs	-	-	-	-	-
Formation costs	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
Repay developer advances	-	-	-	-	-
Project management	-	-	-	-	-
Total expenditures	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Castle Oaks Metropolitan District No. 3
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2012

	<u>Actual</u> <u>2010</u>	<u>Adopted</u> <u>Budget</u> <u>2011</u>	<u>Actual</u> <u>09/30/11</u>	<u>Estimated</u> <u>2011</u>	<u>Adopted</u> <u>Budget</u> <u>2012</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 455
Revenues:					
Property taxes	-	65,017	65,020	65,020	6,509
HB 1006 taxes	-	-	-	-	-
Ownership taxes	-	5,642	3,250	5,642	-
Development fees	-	-	-	-	-
Transfer from Capital Project	-	-	-	-	-
Refunding Bonds	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>-</u>	<u>70,659</u>	<u>68,270</u>	<u>70,662</u>	<u>6,509</u>
Total funds available	<u>-</u>	<u>70,659</u>	<u>68,270</u>	<u>70,662</u>	<u>6,964</u>
Expenditures:					
Payment on promissory note	-	69,695	-	69,232	6,866
Paying agent fees	-	-	-	-	-
Treasurer's fees	-	964	975	975	98
Miscellaneous	-	-	-	-	-
Total expenditures	<u>-</u>	<u>70,659</u>	<u>975</u>	<u>70,207</u>	<u>6,964</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,295</u>	<u>\$ 455</u>	<u>\$ -</u>
Assessed value (000's)	<u>\$ 148.510</u>	<u>\$ 1,477.650</u>	<u>\$ 1,477.650</u>	<u>\$ 1,477.650</u>	<u>\$ 1,627.230</u>
Assessed value (000's) HB1006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Mill levy	<u>-</u>	<u>44.000</u>	<u>44.000</u>	<u>44.000</u>	<u>4.000</u>
Total levy	<u>-</u>	<u>44.000</u>	<u>44.000</u>	<u>44.000</u>	<u>44.000</u>

EXHIBIT C

2013 Budgets

**CASTLE OAKS METROPOLITAN DISTRICT
2013
BUDGET MESSAGE**

Attached please find a copy of the adopted 2013 budget for the Castle Oaks Metropolitan District.

The Castle Oaks Metropolitan District has adopted three separate funds, a General Fund to provide for operating expenditures; a Debt Service Fund to provide for payments on the Series 2012 general obligation bonds; and a Capital Project Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the District.

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 revenues for the District in 2013 will be property taxes and specific ownership taxes. The District intends to impose a 50.000 mill levy on the property within the District for 2013, of which 4.000 mills will be dedicated to the General Fund and the balance of 46.000 mills will be allocated to the Debt Service Fund.

Castle Oaks Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2013

	Actual <u>2011</u>	Adopted Budget <u>2012</u>	Actual <u>9/30/2012</u>	Estimate <u>2012</u>	Adopted Budget <u>2013</u>
Beginning fund balance	\$ -	\$ -	\$ 20,970	\$ 20,970	\$ 16,927
Revenues:					
Property taxes	44,837	35,344	35,304	35,344	37,241
Ownership taxes	2,962	2,474	2,016	2,600	2,607
Developer advances	(3,938)	283	-	-	268
Developer contributions	54,244	-	-	-	-
Miscellaneous income	65	-	-	-	-
Interest income	18	-	14	20	-
Total revenues	<u>98,188</u>	<u>38,101</u>	<u>37,334</u>	<u>37,964</u>	<u>40,116</u>
Total funds available	<u>98,188</u>	<u>38,101</u>	<u>58,304</u>	<u>58,934</u>	<u>57,043</u>
Expenditures:					
Legal	41,820	40,000	15,025	25,000	25,000
Accounting and audit	14,568	14,000	10,210	13,500	14,000
Insurance	2,533	2,500	2,927	2,927	3,000
Litigation expense	17,574	-	-	-	-
District management	-	-	-	-	-
Election expense	-	-	-	-	-
Utilities	-	-	-	-	-
Miscellaneous / IGA	50	847	20	50	500
Repairs and maintenance	-	-	-	-	-
Directors Feee	-	-	-	-	-
Treasurer's fees	673	530	530	530	559
Contingency	-	5,387	-	-	12,692
Transfer to Debt Service	-	-	-	-	-
Emergency reserve	-	1,736	-	-	1,292
Total expenditures	<u>77,218</u>	<u>65,000</u>	<u>28,712</u>	<u>42,007</u>	<u>57,043</u>
Ending fund balance	<u>\$ 20,970</u>	<u>\$ (26,899)</u>	<u>\$ 29,592</u>	<u>\$ 16,927</u>	<u>\$ -</u>
Assessed value (000's)	<u>\$ 11,208.150</u>	<u>\$ 8,836.030</u>	<u>\$ 8,836.030</u>	<u>\$ 8,836.030</u>	<u>\$ 9,310.140</u>
Mill levy	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>

**Castle Oaks Metropolitan District
Adopted Budget
Capital Project Fund
For the Year ended December 31, 2013**

	Actual <u>2011</u>	Adopted Budget <u>2012</u>	Actual <u>9/30/2012</u>	Estimate <u>2012</u>	Adopted Budget <u>2013</u>
Beginning fund balance	\$ 14,827	\$ -	\$ 14,829	\$ 14,829	\$ 14,835
Revenues:					
Bond proceeds	-	-	-	-	-
Accrued interest	-	-	-	-	-
GOCO Grant	-	-	-	-	-
Developer advances	-	-	-	-	-
Developer contributions	-	-	-	-	-
Reimbursements	-	-	-	-	-
Interest income	2	-	6	6	5
Total revenues	<u>2</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>5</u>
Total funds available	<u>14,829</u>	<u>-</u>	<u>14,835</u>	<u>14,835</u>	<u>14,840</u>
Expenditures:					
Construction	-	14,829	-	-	14,840
Legal	-	-	-	-	-
Consultant	-	-	-	-	-
District Mgmt	-	-	-	-	-
Accounting	-	-	-	-	-
Issuance costs	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
Repay developer advances - principal	-	-	-	-	-
Repay developer advances - interest	-	-	-	-	-
Project management	-	-	-	-	-
Total expenditures	<u>-</u>	<u>14,829</u>	<u>-</u>	<u>-</u>	<u>14,840</u>
Ending fund balance	<u>\$ 14,829</u>	<u>\$ (14,829)</u>	<u>\$ 14,835</u>	<u>\$ 14,835</u>	<u>\$ -</u>

Castle Oaks Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2013

	Actual 2011	Adopted Budget 2012	Actual 9/30/2012	Estimate 2012	Adopted Budget 2013
Beginning fund balance	\$ 1,243,186	\$ 1,346,160	\$ 1,344,580	\$ 1,344,580	\$ 3,255,410
Revenues:					
Property taxes	515,620	406,457	406,000	406,457	428,266
HB 1006 taxes	-	-	-	-	-
Ownership taxes	34,057	28,452	23,185	30,000	29,979
Development fees	-	-	-	-	-
Transfer from Capital Project	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-
Refunding Bonds	-	-	-	15,970,000	-
Interest income	1,317	598	2,024	2,200	2,838
Total revenues	<u>550,994</u>	<u>435,507</u>	<u>431,209</u>	<u>16,408,657</u>	<u>461,083</u>
Total funds available	<u>1,794,180</u>	<u>1,781,667</u>	<u>1,775,789</u>	<u>17,753,237</u>	<u>3,716,493</u>
Expenditures:					
Extraordinary redemption				7,012,708	-
Bond interest Series 2005	360,788	356,288	178,144	178,144	-
Bond principal Series 2005	75,000	85,000	-	-	-
Bond interest Series 2012					885,670
Bond principal Series 2012					-
Repay developer funding				6,767,128	
Issuance costs				527,750	
Paying agent fees	6,075	6,000	1,500	6,000	6,000
Treasurer's fees	7,737	6,097	6,049	6,097	6,424
Miscellaneous	-	8	-	-	6
Total expenditures	<u>449,600</u>	<u>453,393</u>	<u>185,693</u>	<u>14,497,827</u>	<u>898,100</u>
Ending fund balance	<u>\$ 1,344,580</u>	<u>\$ 1,328,274</u>	<u>\$ 1,590,096</u>	<u>\$ 3,255,410</u>	<u>\$ 2,818,393</u>
Capitalized interest				\$ 1,756,215	\$ 870,545
Reserve Fund				\$ 1,394,200	\$ 1,394,200
Other				\$ 104,995	\$ 553,648
Assessed value (000's)	<u>\$ 11,208.150</u>	<u>\$ 8,836.030</u>	<u>\$ 8,836.030</u>	<u>\$ 8,836.030</u>	<u>\$ 9,310.140</u>
Mill levy	<u>46.000</u>	<u>46.000</u>	<u>46.000</u>	<u>46.000</u>	<u>46.000</u>
Total levy	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>

CASTLE OAKS METROPOLITAN DISTRICT NO. 2
2013
BUDGET MESSAGE

Attached please find a copy of the adopted 2013 budget for the Castle Oaks Metropolitan District No. 2.

The Castle Oaks Metropolitan District No. 2 has adopted three separate funds, a General Fund to provide for operating expenditures; a Debt Service Fund to provide for payments on the outstanding promissory note; and a Capital Project Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the District.

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 2013 will be developer advances. The District intends to impose a 25.000 mill levy on the property within the District for 2013, which will be allocated to the Debt Service Fund.

Castle Oaks Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2013

	Actual <u>2011</u>	Adopted Budget <u>2012</u>	Actual <u>9/30/2012</u>	Estimated <u>2012</u>	Adopted Budget <u>2013</u>
Beginning fund balance	\$ (7,035)	\$ 106	\$ 106	\$ 106	\$ -
Revenues:					
Property taxes	-	-	-	-	-
HB 1006 taxes	-	-	-	-	-
Ownership taxes	-	-	-	-	-
Developer advances	8,672	7,000	-	1,917	7,106
Reimbursement	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>8,672</u>	<u>7,000</u>	<u>-</u>	<u>1,917</u>	<u>7,106</u>
Total funds available	<u>1,637</u>	<u>7,106</u>	<u>106</u>	<u>2,023</u>	<u>7,106</u>
Expenditures:					
Legal	-	-	-	-	-
Accounting and audit	-	-	-	-	-
Insurance	1,531	2,000	2,023	2,023	2,000
District management	-	-	-	-	-
Election expense	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Treasurer's fees	-	-	-	-	-
Contingency	-	5,046	-	-	5,046
Emergency reserve	-	60	-	-	60
Total expenditures	<u>1,531</u>	<u>7,106</u>	<u>2,023</u>	<u>2,023</u>	<u>7,106</u>
Ending fund balance	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ (1,917)</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed value (000's)	<u>\$ 0.680</u>	<u>\$ 172.120</u>	<u>\$ 172.120</u>	<u>\$ 172.120</u>	<u>\$ 172.120</u>
Mill levy	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Castle Oaks Metropolitan District No. 2
Adopted Budget
Capital Project Fund
For the Year ended December 31, 2013

	Actual <u>2011</u>	Adopted Budget <u>2012</u>	Actual <u>09/30/12</u>	Estimated <u>2012</u>	Adopted Budget <u>2013</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond proceeds	-	-	-	-	-
Developer advances	-	500,000	-	-	500,000
Interest income	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total funds available	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Expenditures:					
Construction	-	500,000	-	-	500,000
Legal	-	-	-	-	-
District Mgmt	-	-	-	-	-
Accounting	-	-	-	-	-
Issuance costs	-	-	-	-	-
Formation costs	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
Repay developer advances	-	-	-	-	-
Project management	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Castle Oaks Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2013

	Actual <u>2011</u>	Adopted Budget <u>2012</u>	Actual <u>09/30/12</u>	Estimated <u>2012</u>	Adopted Budget <u>2013</u>
Beginning fund balance	\$ -	\$ 17	\$ 18	\$ 18	\$ -
Revenues:					
Property taxes	17	4,303	4,303	4,303	4,303
Ownership taxes	1	430	246	325	325
Development fees	-	-	-	-	-
Transfer from Capital Project	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>18</u>	<u>4,733</u>	<u>4,549</u>	<u>4,628</u>	<u>4,628</u>
Total funds available	<u>18</u>	<u>4,750</u>	<u>4,567</u>	<u>4,646</u>	<u>4,628</u>
Expenditures:					
Payment on promissory note	-	4,685	-	4,581	4,563
Paying agent fees	-	-	-	-	-
Treasurer's fees	-	65	65	65	65
Miscellaneous	-	-	-	-	-
Total expenditures	<u>-</u>	<u>4,750</u>	<u>65</u>	<u>4,646</u>	<u>4,628</u>
Ending fund balance	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 4,502</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed value (000's)	<u>\$ 0.680</u>	<u>\$ 172.120</u>	<u>\$ 172.120</u>	<u>\$ 172.120</u>	<u>\$ 172.120</u>
Mill levy	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>
Total levy	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>

CASTLE OAKS METROPOLITAN DISTRICT NO. 3
2013
BUDGET MESSAGE

Attached please find a copy of the adopted 2013 budget for the Castle Oaks Metropolitan District No. 3.

The Castle Oaks Metropolitan District No. 3 has adopted three separate funds, a General Fund to provide for operating expenditures and payments on the outstanding promissory note; a Debt Service Fund to provide for payments on the outstanding promissory note; and a Capital Project Fund to provide for the estimated infrastructure costs that are built by the District.

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 revenues for the District in 2013 will be developer advances and property taxes. The District intends to impose a 44.000 mill levy on the property within the District for 2013, of which 40.000 mills will be dedicated to the General Fund and the balance of 4.000 mills will be allocated to the Debt Service Fund.

Castle Oaks Metropolitan District No. 3
Adopted Budget
General Fund
For the Year ended December 31, 2013

	Actual <u>2011</u>	Adopted Budget <u>2012</u>	Actual 9/30/2012	Estimated <u>2012</u>	Adopted Budget <u>2013</u>
Beginning fund balance	\$ (7,079)	\$ -	\$ (19)	\$ (19)	\$ 1
Revenues:					
Property taxes	-	65,089	65,098	65,098	63,160
HB 1006 taxes	-	-	-	-	-
Ownership taxes	-	6,509	4,084	5,200	5,200
Developer advances	8,590	-	-	-	-
Reimbursements	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>8,590</u>	<u>71,598</u>	<u>69,182</u>	<u>70,298</u>	<u>68,360</u>
Total funds available	<u>1,511</u>	<u>71,598</u>	<u>69,163</u>	<u>70,279</u>	<u>68,361</u>
Expenditures:					
Legal	-	-	-	-	-
Accounting and audit	-	-	-	-	-
Insurance	1,530	2,000	2,108	2,108	3,000
District management	-	-	-	-	-
Election expense	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Treasurer's fees	-	976	976	976	947
Payment on promissory note	-	50,000	-	67,194	30,000
Contingency	-	18,533	-	-	34,296
Emergency reserve	-	89	-	-	118
Total expenditures	<u>1,530</u>	<u>71,598</u>	<u>3,084</u>	<u>70,278</u>	<u>68,361</u>
Ending fund balance	<u>\$ (19)</u>	<u>\$ -</u>	<u>\$ 66,079</u>	<u>\$ 1</u>	<u>\$ -</u>
Assessed value (000's)	<u>\$ 1,477.650</u>	<u>\$ 1,627.230</u>	<u>\$ 1,627.230</u>	<u>\$ 1,627.230</u>	<u>\$ 1,579.000</u>
Mill levy	<u>-</u>	<u>40.000</u>	<u>40.000</u>	<u>40.000</u>	<u>40.000</u>

Castle Oaks Metropolitan District No. 3
Adopted Budget
Capital Project Fund
For the Year ended December 31, 2013

	Actual <u>2011</u>	Adopted Budget <u>2012</u>	Actual <u>09/30/12</u>	Estimated <u>2012</u>	Adopted Budget <u>2013</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond proceeds	-	-	-	-	-
Developer advances	-	500,000	-	-	500,000
Interest income	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	500,000	-	-	500,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds available	-	500,000	-	-	500,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:					
Construction	-	500,000	-	-	500,000
Legal	-	-	-	-	-
District Mgmt	-	-	-	-	-
Accounting	-	-	-	-	-
Issuance costs	-	-	-	-	-
Formation costs	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
Repay developer advances	-	-	-	-	-
Project management	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	500,000	-	-	500,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Castle Oaks Metropolitan District No. 3
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2013

	Actual <u>2011</u>	Adopted Budget <u>2012</u>	Actual <u>09/30/12</u>	Estimated <u>2012</u>	Adopted Budget <u>2013</u>
Beginning fund balance	\$ -	\$ 455	\$ 54,058	\$ 54,058	\$ 51,046
Revenues:					
Property taxes	65,022	6,509	6,510	6,510	6,316
HB 1006 taxes	-	-	-	-	-
Ownership taxes	4,295	-	-	-	-
Development fees	-	-	-	-	-
Transfer from Capital Project	-	-	-	-	-
Refunding Bonds	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	<u>69,317</u>	<u>6,509</u>	<u>6,510</u>	<u>6,510</u>	<u>6,316</u>
Total funds available	<u>69,317</u>	<u>6,964</u>	<u>60,568</u>	<u>60,568</u>	<u>57,362</u>
Expenditures:					
Payment on promissory note	14,283	6,866	-	9,425	10,000
Paying agent fees	-	-	-	-	-
Treasurer's fees	975	98	98	97	95
Miscellaneous	-	-	-	-	-
Total expenditures	<u>15,258</u>	<u>6,964</u>	<u>98</u>	<u>9,522</u>	<u>10,095</u>
Ending fund balance	<u>\$ 54,059</u>	<u>\$ -</u>	<u>\$ 60,470</u>	<u>\$ 51,046</u>	<u>\$ 47,267</u>
Assessed value (000's)	<u>\$ 1,477.650</u>	<u>\$ 1,627.230</u>	<u>\$ 1,627.230</u>	<u>\$ 1,627.230</u>	<u>\$ 1,579.000</u>
Assessed value (000's) HB1006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Mill levy	<u>44.000</u>	<u>4.000</u>			<u>4.000</u>
Total levy	<u>44.000</u>	<u>44.000</u>	<u>44.000</u>	<u>44.000</u>	<u>44.000</u>

EXHIBIT D

Certification

On behalf of the Boards of Directors of the Castle Oaks Metropolitan District and the Castle Oaks Metropolitan District Nos. 2 and 3, I hereby certify that no action, event or condition set forth in Section 11.02.060 of the Intergovernmental Affairs Chapter of the Town of Castle Rock Code has occurred in the report year.

A handwritten signature in black ink, appearing to read "John R. Smith", is written over a solid horizontal line.